



A STUDY ON EMPLOYEE ENGAGEMENT WITH REFERENCE TO SELECTED BANKING UNITS UNDER STUDY AT ANDHRA PRADESH

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Abstract

This study was carried out aimed at determining the effect of Personal Empowerment as components on employees Engagement at work among employees of selected bank units of AP. Employee engagement is about building a truly great relationship with the workforce. People are the most important and valuable asset of every organization. Organization should prefer to maximize wealth through maximizing their human capital. Research variables include any types of Personal Empowerment components (Access to Training & Career Opportunities, Workplace Culture, Organizational Communication, Leadership, Work/ life Balance) which have been as independent variables, and employees Engagement at work as a dependent variable. It is a paradox that the valuable human resources are given less importance and attention during the wealth maximization process. To collect required data, structured and reliable questionnaires were used which had been used in the previous studies. Then, questionnaires were implemented by Pilot-Study method and Cronbach alpha coefficient obtained. The study focused on employee first, a customer second is the new dimension which strengthens the concept of employee engagement in banks. This paper is trying to throw the light of the various determinants focus on employee engagement in private & public sector Banks with special reference to Andhra Pradesh. By utilization of mean, Standard deviation, Skewness and Kurtosis statistical techniques SPSS software have been used for data analysis. The results of hypothesis tests which calculated in confidence level 95% indicated that all research hypotheses were confirmed.

Key Words: Employees, Engagement, Human Resource Management, Work Life Balance, Empowerment.

1.0 Introduction

Employee engagement is rightly viewed as a key aspect of productivity. It makes sense that the enthusiasm and interest which fully engaged employees bring to their work each day would be directly tied to both a more unified workplace culture and the extra efforts, better ideas and innovations that make organizations thrive. Many organizations have limited their hiring in recent years due to a slow economic recovery and uncertain economic conditions, making employee engagement even more important as staff try to do more. Keeping this in mind it is essential to understand the cultural aspect, management and other factors that influence employee engagement as a part of HR's strategic role. The importance of employee engagement is clear when looking at the differences in performance between work teams with high and low levels of employee engagement.

The employee engagement is a vast concept but the pivotal objective is to scrutinize the determinants and outcomes of the employee engagement in the banking sector of India. The precise purpose of this research is also comprised; (a) keeping an eye on empirically test, the theoretical relationship of the antecedents of employee engagement and especially in the banking sector of India. (b) And to examine the factor leading to engagement (c) to confirm the relationship between employee engagement and its outcomes on job satisfaction and organizational commitment, this study will also add handsome literature on the subject.

2.0 Literature Review

Gallup (2013¹) finds that employee engagement program is powerful evidence of the impact of employee engagement on the bottom line. The State of the American Workplace: Employee Engagement Insights for U.S. Business Leaders report finds that "engaged workers are the lifeblood of their organizations." This is more evident in the case of banking industry.

Anjum and Tiwari (2012²) Indian banking system has emerged as a vibrant sector in the Indian economy. Strong regulatory mechanism, inherent strength in the economy, and progressive policy framework which supports, nurtures and helps in growing the financial institutions. There has been amazing growth in profits in our banking industry over the last two decades. The banking sector index has grown at a compounded annual rate of 51% since the year 2001.

¹ Gallup. (2013). *State of the American Workplace: Employee Engagement Insights for U.S. Business Leaders*. Retrieved from <http://www.gallup.com/strategicconsulting/163007/state-workplace.aspx>.

² Anjum, Dr. Bimal and Tiwari, Rajesh, 'Role of Private Sector Banks for Financial Inclusion', *ZENITH, International Journal of Multidisciplinary Research* Vol.2 Issue 1, January 2012, ISSN 2231 5780, pp 270.

Swatee et al. (2012³), in their paper identified key dimensions of organizational culture and communication which can shape employee engagement in bank. Whereas Pradeep et al (2011⁴), suggested that people seek more meaning in their day-to-day work than they do in their personal lives. This implies employers should be seeking to make work meaningful by finding out what matters to their employees especially since evidence suggests that meaningfulness impacts not only on the individual, but also on the bottom line. They also suggested a connection between employee engagement and business result, the effect of individual differences on work performance, perception and personality, emotional factor, personal relationship and demographic factors.

Kinjal Bhatt (2012⁵), while conducting a case study at GNFC on Employee engagement: a tool to achieve sustainable growth, noted that Employee Engagement in an organization can definitely enhance organization's performance, productivity, pride and prestige. Employee Engagement depends on one's professional knowledge, concern for job and motivation from superiors. In GNFC she found good working environment, sharing and openness to share views, training and development, good pay structure and perks, etc. which was responsible for high ratio of employee engagement, and with the help of employee engagement, it becomes easy to find out the performance of an employee and his participation in an organization. Whereas focusing on employee engagement at DCCBS of Maharashtra State there was emphasis that highly engaged workforce will definitely make an organization more successful in terms of financial & nonfinancial parameters (Vijayashri et. al, 2012⁶). Employee Engagement is critical to business success. This study had brought in a new variable employee engagement which is unusual in DCCBs. The management should understand the importance of employee engagement, that unlike other business organizations various studies reveal a significant relationship between employee engagement and business outcomes and performance of any business organization.

Bijay Kumar (2011⁷), identified the factors of Employee Engagement which influence the performance outcome of organization. These factors included Factors Influencing Employee Engagement Recruitment, Job Designing, Career Development Opportunities, Leadership, Empowerment, Equal Opportunities and Fair Treatment, Training and Development, Performance Management, Compensation, Health and Safety, Job Satisfaction, Communication, Family Friendliness. The highest contributing factor employee recognition was powerful contributor more than any other variable.

Sharma et. al. (2010⁸) in their exploratory study to determine of Employee Engagement in a Private Sector Organization concluded that Objectivity & Recognition emerged as the critical determinants of organizational commitment which explained 93.9% of the variance in organizational commitment. Similarly, Career Opportunity and Pay emerged as the critical determinants of job involvement. These two variables together explained a little over 91% of the variance in job involvement.

In a study conducted by Marcie Pitt et. al. (2009⁹) found that the following factors related to employees' characteristics explain higher levels of employee engagement: gender (being female), household income (having lower household income, however this effect was found to be very weak 29), elder care status (having no elder care responsibilities), physical health (being in better physical health), mental health (being in better mental health), core self-evaluation (having a more positive sense of self), and age (being older).

3.0 Rationale of the Study

It is seen that the employee engagement is extremely important for the organizations and a variety of factors affect the perception of the employees to be either engaged or actively disengaged. Especially in the developing area of AP, India

³Swatee S and R. K. Srivastava (2012), *Driving Employee Engagement in Nationalized Banks in India*, International Conference on Economics, Business Innovation IPEDR IACSIT Press, Singapore, Vol. 38, pp131 –134.

⁴D. Pradeep Kumar and G. Swetha (2011), *A Prognostic Examination of Employee Engagement from its Historical Roots*, International Journal of Trade, Economics and Finance, Vol. 2 (3), pp 232 – 240.

⁵Kinjal Bhatt (2012), *Employee Engagement: A Tool to Achieve Sustainable Growth" - A Case Study Of GNFC*, International Journal of Research in Management, Economics and Commerce, Vol 2(6), pp 92 – 105

⁶Vijayashri.M.B and Shailaja. S.A. (2012), *Employee Engagement-a study of employees of DCCBS of Maharashtra State*, International Journal of Marketing, Financial Services & Management Research, Vol.1 (5), pp 27 – 33.

⁷Bijaya Kumar Sundaray (2011), *Employee Engagement: A Driver of Organizational Effectiveness*, European Journal of Business and Vol 3, No.8.

⁸ Sharma B R. and Raina A (2010), *Determinants of Employee Engagement in a Private Sector Organization: An Exploratory Study*, Advances In Management Vol. 3 (10) pp 52- 59.

⁹ Marcie Pitt-Catsouphes and Christina Matz-Costa (2009), *Engaging the 21st Century Multi-Generational Workforce: Findings from the Age & Generations Study*. The Sloan Center on Aging & Work Boston College.



there has been a growth in industrialization and also the Banks have established their setups and rapidly. No detailed literature existed on the topic in the area and also on how the employees perceive the employee engagement activities of their respective organizations. Also researchers wanted to understand whether there was any difference in the effective employee engagement perception of public and private sector bank employees.

3.1 Objectives of the Study

- To study the level of employee engagement in private and public sector banks.
- To identify the factors affecting the perception on employee engagement of the organization.
- To do comparative analysis of components which are affecting employee engagement among public and private sector banks.

3.2 Limitations of the Study

- The Data is collected from only Public and private sectors banks in selected districts of Andhra Pradesh and The study is not based on period.
- The study focuses only the major factor, in employee engagement.

3.3 Scope of the Study

- Effective employee engagement and involvement leads to employee commitment and loyalty.
- Access to Training & Career Opportunities, Workplace Culture, Organizational Communication, Leadership, Work/life Balance are determinants focused for the study.
- Banks offer career at different scales of employment it is important to the employee to think of their growth at every level.
- An effective engagement and involvement practice plays a vital role in their career growth and development. Therefore, an attempt is made to study the relationship of the above factors with reference to employee engagement and involvement practices of the study unit.

3.4 Data and Methodology

3.4.1 Population and Sample

Banking sector of the Andhra Pradesh, India is the target population of this study. Due to time and financial limits total questionnaire for this study used are 200 employees from banking sector of Andhra Pradesh (AP). Convenience sampling technique was used to roll up the data from employees in AP Banking Sector and from different districts (Guntur, Krishna and Prakasam) of Andhra Pradesh. Banking sector is growing far faster than any other sectors in India. As financial sector is the backbone of any country, banking sector plays an important role to lead the country in economic world. Competition in this sector is growing faster that result into well organized and qualitative services, which well serves the needs of the consumer as well as for country. Overall competition is well satisfying the financial needs of the country.

3.4.2 Data Collection

This research was based on self-reported questionnaire. The final questionnaire was disseminated between the different banks branches in the selected districts of Andhra Pradesh. All questionnaires were personally visit and through emails circulated among the employees and the response rate was very good. Almost 350 questionnaires were disseminated among the employees. Almost 200 questionnaires were return back for the analysis purpose. The 200 survey form was coded in SPSS for analysis purpose.

3.4.3 Data Processing

The SPSS software was used to analyze the data. The specific statistical techniques were used in SPSS. Software is used to run different data analysis techniques to support study hypothesis like descriptive statistics tests, reliability test, and correlation. The internal validity of the instrument was analyzed using Cronbach Alpha. Independent sample t – test were conducted to study the effect of demographics (age, education & experience) on employee engagement factors. To analyze the difference between the two groups viz. public and private banks, one way ANNOVA was applied through SPSS 19.0.

3.4.4 Measures

The questionnaires were divided in to two sections. The first portion of the questionnaire based on the respondent demographics and the second label the study related variables. In First part, five demographic questions requested from respondent including; 1) Gender, 2) Age, 3) Marital status, 4) Qualification, and 5) Experience under immediate supervisor.

The second part of the questionnaire were included the questions about variables. [63] 5-item scale adopted. These statements are measure through a Likert scale of 5-points. (1for strongly disagree to 5 for strongly agree). Access to Training & Career Opportunities, Workplace Culture, Organizational Communication, Leadership, Work/ life Balance are determinants focused for the study to analysis and correlated with Employee Engagement.

Table 1: Data Analysis Table Showing Statistical Inference towards “Employee Engagement” in Selecting Unit Banks at Guntur, Krishna & Prakasam in AP

Variable	Mean	Std. Deviation	Skewness	Kurtosis
Training & Career Opportunity	4.238	0.67	-1.58	2.74
Workplace Culture	3.89	0.78	-1.048	2.52
Organizational Communication	3.86	0.72	-1.07	1.95
Leadership	3.72	0.83	-2.08	0.32
Work/ life Balance	3.72	0.77	-1.08	2.82

Table 1 shows the descriptive analysis of the employees of banking sector regarding their engagement in their work. Information of the factors is illuminated by that description. Mean value and standard deviation (SD) shows that a large number of employees are engaged well in their work. The values of Skewness and Kurtosis show the normality of the data. As shown in the above table the value of skewness was between -1 and +1 and the value of kurtosis was between -3 and +3, which assures the normality of the data.

The Cronbach alpha shows the reliability of the scale that is used for the study. The employee engagement's coefficient for Cronbach alpha is 0.868, for Training & Career Opportunity is 0.796, for Workplace Culture is 0.781, for Organizational Communication it is 0.601 and for Leadership is .794 and for Work/life Balance is 0.698. As resulted from the Cronbach alpha the internal consistency is relatively high for all the items.

4.0 Implications of the Study

Work life balance is one of the emotional states in the engagement of an employee that enhances his performance and ability to cope with the work and personal life. So, it requires attention to be selected as an important factor in the banking sector. It helps the employees to keep pace with work which enhances their performance that leads to better organization performance. On the other hand organization commitment of an employee about the work, environment and climate in which he is working is also necessary to evaluate, rather than just evaluating the environment itself without knowing what an employee thinks about it said by Brown and Leigh (1996)¹⁰. Data is collected from the banking sector of few districts of AP, India, though the sample size is low. Future recommendation in this regard is that sample size should be bigger and the data should also be gathered from other industrial sectors to reshape the antecedents of the employee engagement. Employee engagement leads to sharing of ideas among team members and boost the morale and innovative capabilities of employees. Engagement is much more than attraction, retention and commitment. Therefore, the researcher has made an attempt to study the various factors contributing for employee engagement and involvement in the current scenario. The public and private sector banks employees engagement approaches for new employees begin from the selection or recruitment stage by selecting the right person and giving a realistic job preview, organizing strong induction and orientation programme, providing rigorous training and development programme consisting of technical skills, soft skills, leadership development etc along with updating the employee about the current trends which will help in increasing their performance. The banks should realize the importance of employees to the utmost possible level by fascinating suitable measures.

5.0 Conclusion

Employee Engagement is critical to business success. The Banks have to focus on this aspect to boost their growth and get a competitive advantage. This study had highlighted the dimensions of employee engagement for the banks. The management should understand the importance of employee engagement, that unlike other business organizations various studies reveal a significant relationship between employee engagement and business outcomes and performance of any business organization. In the current scenario the banks have to comprehend those high levels of employee engagement is necessary to improve employee commitment. And this extraordinary involvement with job will thus create a motivated workforce that will work together to achieve the common goals of the organization. Highly engaged workforce will definitely make an organization more successful in terms of financial & nonfinancial parameters.

¹⁰ Brown, S.P & Leigh, T.W (1996) A New Look at Psychological Climate and Its Relationship to Job Involvement, Effort, and Performance. *Journal of Applied Psychology*, 81(4), 358-368.



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