Volume : 3 | Issue : 4 | April 2014 • ISSN No 2277 - 8160

Research Paper | Management

Comparative Study on Employee Engagement Practices at Private and Public Banks in South Gujarat Region

Ms. Rashmi Ghamawala	ASST. PROFESSOR, HR, NCM, Narmada college of Management, MBA Programme, Shuklatirth Road, Zadeshwar, Bharuch -392011, Gujarat, India.
Ms. Rakhi Thakkar	ASST. PROFESSOR, HR, NCM, Narmada college of Management, MBA Programme, Shuklatirth Road, Zadeshwar, Bharuch -392011, Gujarat, India.
Dr. Trupti S. Almoula	I/C DIRECTOR, NCM, Narmada college of Management, MBA Programme, Shuklatirth Road, Zadeshwar, Bharuch -392011, Gujarat, India.

ABSTRACT

"To win the Market Place, one should start by winning the Workplace". This dimension strengthens the concept of Employee Engagement. Engaged Employees always outperform from those who are not engaged.

This paper attempts to compare Employee Engagement Practices at Public and Private Banks. It also aims to identify the factors that promote better employee engagement practices in these Banks. Sample population comprises of 100 employees taken from both these banks. Study reveals that in PSU Banks most prominent cultural factors includes Open Communication, Loyalty, Equitability, Knowledge Sharing, while least factors are Celebrating Success, Motivation, and Participation. Most prominent cultural factors in private banks found are Inter- personal orientation, Loyalty, Open Communication, Caring Culture, Growth and Advancement while least prominent factors found were Motivation, Open Communication, Mutual Respect, Trust, and Risk Taking Culture.

Study also found that most important job related factors in PSU banks found were Job Clarity, Job Satisfaction while in private banks Job Clarity, Elasticity of Goal, Feedback on Productivity etc. were found and least important factors that were common in both banks were Job Fit, Flexibility to work, Continuous Improvement.

KEYWORDS : Employee engagement, public sector banks, private sector banks

Introduction about Employee Engagement

Employee Engagement in the organization is a concept easily said and discussed than correctly understood. There is still a confusion and misdirection as to what exactly employee engagement is ? Many of them misinterpret this concept as if it is like "Old Wine in the New Bottle". Many consider employee engagement same as 'sense of belongingness 'or psychological ownership of the task or a commitment towards organization or employee satisfaction. Still many look at it as Employee Welfare. But we would rather say that it is like "New Wine in the New Bottle". It would be wrong to equate employee satisfaction and commitment with the level of engagement. A satisfied and committed employee does not necessarily mean that he is really engaged.

Concept & Theoretical Background

W. D. Kahn (1990) is credited with conceptualizing the major components of employee engagement. He defined employee engagement as "the harnessing of organization members' selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances."

The Gallup Organization, potentially the most widely recognized name associated with employee engagement defines engaged employees as those who, "work with a passion and feel a profound connection to their company" and "drive innovation and move the organization forward" (GMJ, 2006).

According to the Gallup, the consulting organizations there are three types of people in the organization: Engaged Employees work with passion and they feel a profound connection to their company. They drive innovation and move the organization forward". They are builders of the organization. Not- Engaged Employees are essentially 'checked out'. They are sleepwalking through their day, putting time- but not energy and passion-into their work." They tend to concentrate on task rather than goal and outcomes they are expected to accomplish. Actively Disengaged Employees are the cave dwellers. They are consistently against virtually everything. They are just not unhappy at work; they are busy acting out their unhappiness. They sow seeds of negativity of every at every opportunity.

Seijts and Crim (2006), identified ten factors, named the 'Ten C's of Engagement' – steps that the management may take to enhance the level of engagement of the employees. These may be enumerated as follows: Connect: it is the extent to which management convey that it cares for and values the employees. Career: extent to which the management provides to the workers work that is challenging and meaningful and fostering one's career growth. Clarity: the extent to which the goals, rules and the organizational operations are transparent and understood by the employee. Convey: the extent to which the management communicates goals and provides feedback. Congratulate-: the extent to which good performance brings praise and recognition. Contribute: the extent to which one's contribution to the 'success and future' of company is understood. Control: the extent to which the management allows the worker to participate in decision makingand drive initiatives. Collaborate: the extent to which the organization upholds team work over pursuance of self-interests. Credibility: the extent to which the management demonstrates transparency and high ethical standards. Confidence: the extent to which the organization demonstrates high ethical and performance standards, creating a sense of positive identification among the employees.

Literature Review

Swatee et al. (2012), in their paper identified key dimensions of organizational culture and communication which can shape employee engagement in bank. Kinjal Bhatt (2012), 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. Bijay Kumar (2011), 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. (2010) 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

Research Objectives

The main purpose of this research is to compare and study Employee Engagement Practices at Public and Private Banks. Secondly, the research work aims to analyze the cultural and Job related factors that promote Engagement Practices in these banks.

Research Methodology

The research design is descriptive in nature. The sample population is 100, comprising of 50 respondents from private sector banks and 50 respondents from public sector banks. The respondents were selected from South Gujarat Region through Convenience sampling method. Seven Private sector banks considered for the study are ICICI bank, AXIS bank, FEDRAL bank, HDFC bank, IDBI bank, HSBC bank, KOTAK MAHINDRA bank. Six Public sector Banks included in the study are Bank of Baroda, SBI, CBI, Dena bank, Bank of India, Punjab national bank. Structured questionnaire having 39 statements was used for data collection. Response was measured on a likert scale, 1 representing 'Strongly Disagree' and 5 representing 'Strongly Agree'.

Data Analysis & Findings

Data gathered during the survey was analyzed using mean and standard deviation to derive inferences

Table: 1 shows Cultural factors that affects engagement practices in both banks.

Statement No.	Banks	SA	A	N	D	SD	Mean	SD
1. Interpersonal orientation	PSU	21	16	12	1	0	4.14	0.848764
	PVT	11	28	11	0	0	4	0.663325
2. Reward & Recognition	PSU	6	11	26	7	0	3.32	0.858836
	PVT	20	26	4	0	0	4.32	0.614492
3. Growth, Advancement	PSU	5	11	32	2	0	3.38	0.718053
	PVT	16	29	5	0	0	4.22	0.60959
5. Participative	PSU	0	5	30	14	1	2.78	0.641561
	PVT	2	13	27	8	0	3.18	0.74
6. Empowerment	PSU	20	26	4	0	0	4.32	0.614492
	PVT	23	18	6	3	0	4.22	0.878408
8. Innovation	PSU	11	7	16	16	0	3.26	1.128007
	PVT	3	15	27	5	0	3.32	0.733212
9. Equitability	PSU	25	20	5	0	0	4.4	0.663325
	PVT	24	25	1	0	0	4.46	0.537029
10. Motivation	PSU	2	13	29	6	0	3.22	0.701142
	PVT	12	32	5	1	0	4.1	0.640312
11. Caring culture	PSU	3	14	24	9	0	3.22	0.807217
	PVT	6	12	21	11	0	3.26	0.934024
12. Ownership	PSU	2	9	16	21	2	2.76	0.928655
	PVT	15	20	10	5	0	3.9	0.943398
13. Socializing culture	PSU	17	24	7	1	1	4.1	0.8544
	PVT	2	14	23	10	1	3.12	0.84
14. Informal celebrations	PSU	0	2	2	26	20	1.72	0.722219
	PVT	2	12	27	9	0	3.14	0.748599
15.Professional advancement in task	PSU	13	15	22	0	0	3.82	0.817068
	PVT	9	32	9	0	0	4	0.6
16.Professional advancement in the areas that I aspire	PSU	0	4	32	13	0	2.76	0.55682
	PVT	6	33	10	1	0	3.88	0.620967
17. Feedback culture	PSU	13	19	18	0	0	3.9	0.781025
	PVT	10	34	6	0	0	4.08	0.56
19. Mutual respect	PSU	16	16	17	1	0	3.94	0.858138
	PVT	9	10	31	0	0	3.56	0.778717
20. Knowledge sharing culture	PSU	22	20	8	1	0	4.32	0.794259
	PVT	16	26	8	0	0	4.16	0.674092
23. Commitment	PSU	20	21	9	0	0	4.22	0.729109
	PVT	10	24	15	1	0	3.86	0.748599
24. Challenging task	PSU	5	23	22	0	0	3.66	0.65146
	PVT	13	33	4	0	0	4.18	0.554617
25. Risk taking culture	PSU	14	17	17	2	0	3.86	0.872009
	PVT	0	15	27	8	0	3.14	0.663626
29 Reward & appreciation	PSU	21	24	4	1	0	4.3	0.7
	PVT	20	28	2	0	0	4.36	0.557136
30 Autonomy to take part compensation design	PSU	2	3	14	29	2	2.48	0.830422
	PVT	0	2	19	20	9	2.28	0.800999
31 Growth culture	PSU	14	19	16	1	0	3.92	0.820731
	PVT	7	14	26	3	0	3.5	0.806226
32 Knowledge sharing	PSU	23	22	5	0	0	4.36	0.656049
	PVT	10	37	3	0	0	4.14	0.490306
33 Open communication	PSU	30	14	6	0	0	4.48	0.699714
	PVT	28	18	4	0	0	4.48	0.64
34 Accountability	PSU	14	18	17	1	0	3.9	0.830662
	PVT	17	27	6	0	0	4.22	0.641561
36. Trust	PSU	22	20	8	0	0	4.28	0.722219
	PVT	17	25	8	0	0	4.18	0.683813
37. Supporting culture	PSU	8	14	21	7	0	3.46	0.921086
	PVT	9	24	16	1	0	3.82	0.74
39. Loyalty	PSU	27	21	2	0	0	4.5	0.574456
	PVT	29	19	2	0	0	4.54	0.573062

Inferences:-

It is found from the above study that comparatively having minor difference with private sector banks, Public Sector Banks are more helpful in mentoring process whenever their employees face hurdles at work.

Rewards and Private Sector Banks provide more Recognition and Rewards to their employees based on their performance as compared to Public sector Banks.

Private sector banks are found to be more cautious about the career advancements of their employees and guide them to step forward towards their destination.

Private sector Banks are found to be more attached with their employees as they consult them while assigning their duties and responsibilities and keeping in mind job-fitment of each and every employee.

It has been seen that Public Sector Banks with hair line of difference empower more as compared to private sector banks considering the truth that both authority and responsibility goes parallel.

Private sector Banks have little edge over public sector banks in terms of seeking ideas and involving employee for Decision Making processes to arrive at innovative solutions.

Employees of both Public sector banks and private sector banks experience more equitability in terms of rights and duties.

Comparatively private sector banks provide a good platform to their employees for sharing their learning and achievements.

Employees of both private and public sector banks feels happy and motivated as their Banks undertakes various welfare programmes covering not only for them but some programmes are even extended to their family members also.

Private sector banks are found to be having good edge over Public sector banks as they announce and implement various stock based schemes like ESOP, ESPP etc… for their employees thereby proving an opportunity to participate in the ownership of the banks.

Public sector banks are found to be good in terms of providing adequate opportunities to socialize themselves thereby creating a stress free environment at work place.

In comparison with Public sector banks, private sector banks care more for their employee by wishing and celebrating their birthdays and anniversaries et.

Private sector banks are found to be providing adequate learning and growth opportunities in the areas that are related to their tasks and even those areas that they aspire to know, learn and grow. They provide more challenging tasks too.

Having little difference in the opinion it is found that in comparison with public sector banks, private banks celebrates even small success or achievement of their employees.

In comparison with Private sector banks, Public sectors banks employees have stayed for a longer period which helps them to speak positive about their banks and even they feel committed to stay for many years to come.

Employees of public sector banks are motivated to take risk as they are allowed to fail without the fear of the punishments which is found less in private banks Both the employees of public and private sector banks believes that if they perform they will definitely grow with the organizations Both public and private banks employees disagree that they are provided with the option / freedom to choose a part of the compensation plans It is found that public sector banks appreciate strengths of their employees and provide opportunity to exercise leadership role as compared to private banks With thin line of difference it is found that public sector employees are made aware of their bank performance Employees in both public as well as private banks are experiencing no restrictions for meaningful communications Employees at private sector banks feel more accountable for their team performance as compared to public sector banks.

There is negligible difference found in the factors like trusting each other, help and support each other between public and private banks.

Employees feel same regarding sense of loyalty and belongingness in both the banks.

Table: 2 shows Job related factors that promotes engagement practices in these banks

Statement No.	Banks	SA	A	N	D	SD	Mean	SD
4. Alignment of goal	PSU	4	17	27	2	0	3.46	0.698856
	PVT	5	21	24	0	0	3.62	0.66
7.Continuous improvement	PSU	11	7	16	16	0	3.26	1.128007
	PVT	2	24	22	2	0	3.52	0.64
18. Productivity feedback	PSU	13	19	18	0	0	3.9	0.781025
	PVT	10	34	6	0	0	4.08	0.56
21. Job fit	PSU	0	3	34	13	0	2.8	0.52915
	PVT	4	8	27	11	0	3.1	0.830662
22. Goal orientation	PSU	12	26	12	0	0	4	0.69282
	PVT	9	38	3	0	0	4.12	0.474974
26. Flexibility at work for productivity	PSU	6	10	27	7	0	3.3	0.8544
	PVT	1	8	24	16	1	2.84	0.783837
27. Clarity in job description	PSU	28	19	3	0	0	4.5	0.608276
	PVT	37	12	1	0	0	4.72	0.491528
28. Elasticity of goal	PSU	11	26	13	0	0	3.96	0.691665
	PVT	17	29	4	0	0	4.26	0.593633
35.Passion for goal achievement	PSU	8	26	16	0	0	3.84	0.674092
	PVT	12	34	4	0	0	4.16	0.542586
38. Job satisfaction	PSU	16	23	10	1	0	4.08	0.770454
	PVT	12	22	12	4	0	3.84	0.88

Inferences:-

With minor difference it is found that private bank's employees are able to align better their personal goal with that of departmental and organizational goal.

As compared to public sector banks, Private sector banks ask for suggestions and implement it towards the improvement of task and organization goals Private Banks provides honest feedback about the employee and their performance that helps them to get motivated to do better each time as compared to public banks.

Employees of private sector banks are allowed to choose the task that according to their interest and capability and which is found less in public banks With negligible amount of difference, private sector bank employees enjoy work more which allows him to focus his goal as compared to public sector banks.

Comparatively public sector employees enjoy more flexibility to define their approach and methodology for goal accomplishment.

With negligible amount of difference, it is found that private sector banks employees are clear of what is expected out of them.

Employees of private sector banks are found to be more passionate for achievement of their goals.

Employees of the public sector banks are more satisfied as compared to private sector bank employees.

Conclusion

There is a vast difference in the variables that contribute to the Engagement practices in Public Sector Banks vis-à-vis the Private Sector Banks. In the PUBLIC SECTOR BANKS, in order of priority, following are the factors that have enabled HIGH EMPLOYEE ENGAGEMENT :

A: CULTURAL FACTORS :

i) Open Communication and Appreciating Loyalty
ii) Equitability and Knowledge Sharing
iii) Inter-Personal Orientation and Empowerment

B: JOB RELATED FACTORS :

i) Job Clarity
ii) Job Satisfaction
iii) Goal Achievement and Elasticity of Goal

Whereas in the PRIVATE SECTOR BANKS, in order of priority, following are the factors that have enabled HIGH EMPLOYEE ENGAGEMENT :

A: CULTURAL FACTORS:

i) Inter- personal orientation
ii) Loyalty and Open Communication and A Caring Culture
iii) Growth and Advancement

B: JOB RELATED FACTORS:
i) Job Clarity
ii) Elasticity of Goal
iii) Feedback on Productivity , Goal Orientation and Commitment towards Performance

Similarly, if we compare those indicators that are least contributing to EMPLOYEE ENGAGEMENT in the PUBLIC SECTOR BANKS, they are :

A: CULTURAL FACTORS :
i) Celebrating Success
ii) Motivation
iii) Participation , Ownership and Having Challenging Tasks

B: JOB RELATED FACTORS :
i) Job Fit
ii) Flexibility to work
iii) Continuous Improvement

And, also listing the factors that least contribute to EMPLOYEE ENGAGEMENT in the PRIVATE SECTOR BANKS, they are :

A: CULTURAL FACTORS :
i) Motivation
ii) Open Communication
iii) Mutual Respect and Trust as well as a Risk Taking Culture

B: JOB RELATED FACTORS :
i) Job Fit
ii) Flexibility to work
iii) Continuous Improvement

Recommendations

It is interesting to note that the findings go well with the general perception about Public and Private Banks. There is hardly any competition among employees in the public sector and at the same time each position is respected for the post more than the person. However, in the Private sector, where there is competition, where there is a lot of stress, a caring culture and growth & advancement obviously call for more engagement. The same explanation holds true for explaining why job satisfaction is a unique factor with Public sector banks and why commitment towards performance and feedback on participation are unique factors with Private sector banks as regards winning Employee Engagement is concerned.

Hence, it is recommended that both Private Sector Banks and Public Sector Banks learn from each other so that in either case Employee Engagement can be accelerated. No more are Public Sector Banks having a guaranteed growth as Private Sector Banks are posing a major challenge. It is for sure that an engaged employee will definitely bring better productivity. Hence, each should come out of their respective complacencies and adopt the best practices of the other sector.

REFERENCES

Biswas,S.,& Bhatnagar,J.,(2013): 'Mediator Analysis of Employee Engagement: Role of perceived organizational support, P-O Fit, organizational commitment and Job Satisfaction', Vikalpa The Journal for Decision Makers, vol. 38,27-40 | Kahn, W.A. (1990): ' Psychological conditions of personal engagement and disengagement at work', Academy of Management Journal, Vol. 33, pp. 692-724. | | Kinjal 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 | Mishra, D., Kapse, S., & Bavad, D., (2013): 'Employee Engagement at Banks in Kutch', International Journal of Application or Innovation in Engineering & Management (IJAIEM), Volume 2, Issue 7, 349-358 | Neeta Bhatla (2011): 'To study the Employee Engagement practices and its effect on employee performance with special reference to ICICI and HDFC Bank in Lucknow', International Journal of Scientific & Engineering Research, Vol 2 (8). | Sangeetha, K. & Mukunnan, C. ,2006: Employees engagement trends and cases, The ICFAI University Press. | Swatee 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. | | Sundaray, B., (2011), Employee Engagement: A Driver of Organizational Effectiveness, European Journal of Business and Vol 3, No.8. | | Thomas, R., (2012) : 'An empirical study of employee engagement of employees in the banking industry', International Journal of Social Studies and Humanities, Vol. 1, 8-15 | Vijayashri.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. |