



ORIGINAL RESEARCH PAPER

Management

A STUDY ON EMPLOYEE ENGAGEMENT WITH REF. TO BANKING INDUSTRY IN INDIA.

KEY WORDS:

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1.Primary Objective

To study the employee engagement in the Indian banking industry.

2.Secondary Objectives

1. To get an insight knowledge about the working of the organization
2. To study the mutual co-operation of employees and employer in the organization.
3. To study the opinion of employees towards job satisfaction and employees participation in growth of the organization.
4. To analyze & suggest appropriate employee engagement model to Banks In India.

3.Review of Literature

One of the first challenges presented by the literature is the lack of a universal definition of employee engagement Kahn (1990-1994) defines employees 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 cognitive aspect of employee engagement concerns employees' beliefs about the organization, its leaders and working conditions. The emotional aspect concerns how employees feel about each of those three factors and whether they have positive or negative attitudes toward the organization and its leaders. **The physical aspect of employee engagement concerns the physical energies exerted by individuals to accomplish their roles. Thus, according to Kahn (1990)** engagement means to be psychologically as well as physically present when occupying and performing an organizational role.

Most often employee engagement has been defined as emotional and intellectual commitment to the organization (Baumruk 2004, Richman 2006 and Shaw 2005) or the amount of discretionary effort exhibited by employees in their job (Frank et al 2004). Although it is acknowledged and accepted that employee engagement is a multi-faceted construct, as previously suggested by Kahn (1990), Truss et al (2006) define employee engagement simply as 'passion for work', a psychological state which is seen to encompass the three dimensions of engagement discussed by Kahn (1990), and captures the common theme running through all these definitions.

The existence of different definitions makes the state of knowledge of employee engagement difficult to determine as each study examines employee engagement under a different protocol. In addition, unless employee engagement can be universally defined and measured, it cannot be managed, nor can it be known if efforts to improve it are working (Ferguson 2007). This highlights the problems of comparability caused by differences in definition. Furthermore, whilst it is acknowledged that employee engagement has been defined in many different ways, it is also argued the definitions often sound similar to other better known and established constructs such as 'organizational commitment' and 'organizational citizenship behavior' (OCB) (Robinson et al 2004). Thus Robinson et al 2004) defined engagement as 'one step up from commitment'. As a result, employee engagement has the appearance of being yet another trend, or what some might call "old wine in a new bottle".

"... engagement contains many of the elements of both commitment and OCB but is by no means a perfect match with

either. In addition, neither commitment nor OCB reflect sufficiently two aspects of engagement – its two – way nature, and the extent to which engaged employees are expected to have an element of business awareness."

We also found that attitudes were a stronger predictor of organizational outcomes than self-reported behaviors, that is, how a person *feels* about their job and organization. Ideally, a good engagement measure will focus upon attitudes towards one's job and the overall organization, and if you want to predict turnover then ask about intention to stay. We call this measure "Passion".

See Langford, P. H. (2010). The nature and consequences of employee engagement: Searching for a measure that maximizes the prediction of organisational outcomes, in Albrecht, S. (Ed.) "Handbook of Employee Engagement". London: Edward Elgar Publishing.

Literature Review by Sandeep kular, Mark Gaten by, Chris Reen, Emma Sodne, Katie Trur This review suggests that employee engagement is a meaningful construct that is clearly worthy of future research. One area in need of investigation is the predictors of engagement. Whilst May et al (2004) found predictors related to the three psychological conditions of engagement identified by Kahn (1990), the evidence suggests that these predictors can only influence one of these conditions at a time, thus calling for the need to uncover predictors which affect engagement as a whole. There are other variables that might also be important for employee engagement. For example, HR practices such as flexible work arrangements, training programmes, and incentive rewards might also be important for employee engagement. Future research could include a broader range of predictors that are associated with particular types of engagement. Thus, future research should attempt to flesh out the types of factors that are the most important for engagement in different roles, jobs, organisations and groups.

Much of the research to date has concentrated on organisations in the US, although the CIPD and The Roffey Park Institute based in the UK have made a significant contribution to unearthing employee engagement levels in the UK. Although the Gallup Organisation has conducted research in several countries, there is still a need for research to concentrate in depth on other countries throughout the world.

ENGAGING EMPLOYEES, INSPIRING TRUST AND LOYALTY

There is growing recognition about the need to evolve an engagement strategy to keep employees engaged and aligned with an organization's mission. Kaushik Mukerjee focuses on the need to implement this across five levels.

An article in the Harvard Business Review (Maximizing Your Return on People, March 2007) pointed out that the traditional HR metrics to measure employee turnover rate, average time to open positions and total hours of training provided are unable to predict organisational performance. It emphasised the importance of tapping employee skills by proper job design methods, showing commitment to employees by recognising their contributions, offering job security and creating opportunities for advancement. The article also highlights that workload design should ensure good work-life balance for employees and their engagement needs to be tracked regularly.

An article in People & Strategy (2009, vol 32, issue 2), highlighted the three strongest drivers of 'feelings of engagement': feeling that there is full utilisation of one's skills and abilities; seeing a link between one's work and the objectives of the company; and being encouraged to innovate.

Another piece in the Harvard Business Review (Manage Your Human Sigma, July-August, 2005) pointed out that employee engagement has strong influence on customer engagement and financial performance. A Gallup poll revealed that a majority of employees merely show up at work and do 'what is expected and nothing more'. They cost American companies about \$300 billion in lost productivity and also destroyed customer relationships.

Organisations can engage employees better if they take into account the competence of employees along with their job preferences while allocating work and creating job profiles. The NDPL turnaround was perhaps more effective because an inventory of manpower was undertaken along with their competencies and suitable roles were designated to employees who had a passion for those roles.

Workplace partnerships in the United States and Europe (Employee Participation in management)

Employee Involvement in Decision Making

The push for more employee participation in decision making gained strength in the 1970s, with the success of Japanese industry and management. American corporations began to realize that Japanese success was related, in large measure, to their view of the organization and the use of human potential to achieve higher levels of productivity (Gehrman, 1986). The Japanese were very successful, utilizing methods like theory Z and quality circles, in removing artificial constraints on employees' productivity and in being sensitive to communication from the bottom-up.

4 DATA COLLECTION METHOD :

There are 2 types of data collection namely,

- Primary data
- Secondary data

Primary data :

Primary data are fresh data, which do not exist in records and publications. The researcher has to gather primary data for his/her specific study. Primary data are generated when the researcher investigates a particular problem employing mail, questionnaires, telephone surveys, personal interviews, observations and experiments.

In this project, the primary data required for the study was collected using SURVEY METHOD.

Secondary data :

On the other hand includes those data which are collected for some earlier data. Secondary data is the second hand information. It is classified into two categories :

- Internal secondary data
- External secondary data

In this research, the researcher used the internal secondary data and it is collected from various sources like published books, companies' brochure and websites. In this data was collected by contacting the respondents directly. The secondary data required for the study has been compiled from websites, journals, magazines and subject books.

5. RESEARCH INSTRUMENT

A questionnaire consisting of rating scales viz, strongly agree, and Agree, Neutral, Disagree, Strongly Disagree.

6. DATA COLLECTION TOOL

The tool used for the survey method was STRUCTURED 'UNDISGUISED QUESTIONNAIRE. A questionnaire is a research instrument consisting of a series of questions and other prompts for the purpose of gathering information from respondents.

Dichotomous questions, Multiple — Choice questions, close - ended questions and direct questions formed the questionnaire. Questionnaires have advantages over some other types of surveys in that they are cheap, do not require as much effort from the questioner as verbal or telephone surveys, and often have standardized answers that make it simple to compile data.

7.SAMPLING SIZE :

The size of the sample needed can be determined from the amount of reliability and precision in the result of the survey and from the sample design used. **The sample size is 1,000 [employees].**

Type of study : **Descriptive Study**

Source of Data : **Primary & Secondary**

Population : 10,000

Sampling size : 1,000

Research tools : **Percentage analysis, Weighted Average, Chi-square**

Research approach : **Survey**

Sampling procedure : **Random sampling**

Research instrument : **Questionnaire**

Place of Study : **Nationalised Bank, In and around Chennai.**

8. FINDINGS

- 65% of the respondents are male and 35% of the respondents are female
- 32% of the respondents are at the age of 20-30yrs, 28% of the respondents are at the age group of 31-40yrs, 24% of the respondents are 41-50yrs and 16% of the respondents are 51-61yrs
- 5% of the respondents are middle pass out, 6% are higher secondary pass out, 56% of the respondents are graduates and 33% of the respondents post graduates
- 42% of the respondents working for nearly 0-5yrs, 29% of the respondents are around 5-10yrs, 16% of the respondents about 10-15yrs and 13% of the respondents working for 15yrs & more.
- 29% of the respondents feel that the organization allows employee to give suggestion, 26% of the respondents feel encourage employees in implementation of management decisions, 20% of the respondents feel being invited to be a union member for a committee, 16% of the respondents feel expression of ideas to any level of official and 9% of the respondents feel other options
- 30% of the employees strongly agree that the senior management involves them in employee engagement process, 69% agree this statement and 1% of the total respondents disagree this.
- 13% of the employees strongly agree that they have support of top management to do their of work, 57% of them agree to this, 20% of them disagree this and the rest 10% of the employees strongly disagree this.
- 48% of the employees strongly agree that their work is very important for organisation, 50% of them agree to this, 2% of them disagree this. none of them strongly disagree this.
- 37% of the respondents feel they should allowed to work independently, 27% of the respondents feel being allows to participate in the implementation level, 15% of the respondents should allowed at a discussion stage itself and 21% of the respondents feel just expression of opinions to officers
- 27% of the respondents strongly agree that the team awards help in building a strong bond among the team members, 24% of the respondents agree the above statement, 29% of the respondents disagree and 20% of the respondents strongly disagree about the statement
- 35% of the respondents fully satisfied about the team goals and objectives, 27% of the respondents satisfied about the objective, 17% of the respondents not satisfied about team goals and 21% of the respondents not at all satisfied.
- 25% of the respondents fully satisfied with the present development opportunities in the team, 30% of the respondents satisfied, 22% of the respondents not satisfied about the present development and 23% of the respondents

not at all satisfied

- 23% of the respondents very clear about the rules and responsibilities which are clearly spoken in the team, 26% of the respondents are clear, 27% of the respondents are not clear and 24% of the respondents are not at all clear
- 34% of the respondents strongly agree that the pay and benefit are good in the organisation, 28% of the respondents are agree, 22% of the respondents disagree and 16% of the respondents strongly disagree
- 65% of the respondents feel there is mistrust and hostility in the team and 35% of the team does not feel so
- 27% of the respondents strongly agree that the decision making opportunities are good in the organisation, 26% of the respondents are agreed the above statement, 21% of the respondents disagree and 26% of the respondents strongly disagree
- 63% of the employees feel that the senior management recognize their performance by performance appraisal, 2% feel it is through their co-workers and 35% of them feel it is done by their immediate supervisor.
- 39% of the respondents strongly agree that the managers always help their subordinates to learn, 22% of the respondents agree the above statement, 18% of the respondents disagree and 21% of the respondents strongly disagree
- 43% of the respondents strongly agree that the individual participation encouraged the team, 24% of the respondents agreed, 19% of the respondents disagree and 14% of the respondents strongly disagree the above statement
- 59% of the respondents do not witness team growth during the past period and 41% of the respondents feel team growth during past period.

Summary and key findings

- The evolution of employee engagement lies in work on employee organisational commitment and organisational citizenship behaviour.
- Although elements of these ideas are important to engagement, engagement is Viewed in the literature to mean more than either implies. 'Going the extra mile', providing discretionary effort, being aligned to the organisation's objectives, being capable of delivering the results and wanting to deliver results for the good of the organisation are defining characteristics of the engaged employee. Reflecting the two-way dynamic of engagement, capability arises from the employee's own abilities but must also be supplemented by the employer providing an environment conducive to allowing the employee to work at their potential level.

9.SUGGESTION FOR IMPROVEMENT :

- a) Good office layout and infrastructure. Each bank / office should be kept neat and clean with a good working environment.
- b) Good work resources (computers and other supplies) and timely provision of work tools, stationeries, etc., required for smooth functioning is a pre-requisite.
- c) Physical safety, especially to women employees who stay away from home, and rural branches should be assured.
- d)Support should be extended to New entrants of the bank but are yet to join the Bank.example like new PO and new clerks.
- e) Activities like issuance of appointment orders, joining day experience, etc., should be easy and simple.
- f) An induction and on-boarding program that balances exposure to gaining theoretical and practical knowledge, and builds familiarity to culture should be structured. .
- g) The Bank is facing a situation of rapid exits of experienced people and entry of new blood. In such a context, it is imperative that culture, values and tradition of the organization. .
- h) Competitions and events such as painting photography, cookery, etc. should be encouraged and budgetary support should be extended.
- l) Activities like celebrating important festive days and special days of the Bank involving families of the employees,

occasional trips to tourist destinations, etc., can help build engagement.

- j) To prevent stagnancy in career growth, deserving employees (both Officers and Award staff) should be motivated enough to take up promotions.
- k) Adequate exposure and training for employees at all levels (including POs) is necessary to bridge skill gaps.
- l) Many employees felt that their Opinions / views will not be heard by top management supervisors, and (claim) so they do not venture to do so.
- m) Staff meetings, including skip-level meetings, should be conducted in a structured manner to keep employees abreast about the priorities, progress, issues and action plans.
- n) To appreciate employee contributions and service, the Bank should institute milestone awards at different points. Currently, appreciations are given only at one stage, i.e., on completion of 15 years of service in the Bank.
- o) Exceptional performance and achieved targets should be honoured with good remuneration and transfer as per their choice.
- p) Success stories of employees should be highlighted on the Bank website and other social media platforms.
- q) Self-management workshops like those organized for yoga, meditation, and self-development should be conducted periodically.

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