

# A Study on Employee Engagement In Banking Sector With Special Reference To Thanjavur District

Mrs. S. Anitha<sup>1</sup>, Dr. V.Nagajothi<sup>2</sup>

<sup>1,2</sup> Department of Business Administration

<sup>1,2</sup> Rajah Serfoji Govt. College (Autonomous), Thanjavur

**Abstract-** *Employee engagement is relatively a new concept which has been developed from researches on involvement, empowerment, motivation, commitment, etc. It refers to positive feelings of employees about their jobs and the organizations, and also the motivation, commitment and effort they put into their work. Engagement also implies an alignment with the organization and a level of commitment. Employee engagement is developed when business values the employees and vice versa. An engaged employee is aware of business context, and works with colleagues to improve performance within the job for the benefit of the organization. It is a positive attitude held by the employees towards the organization and its values. The organization must work to develop and nurture engagement, which requires a two way relationship between employer and employee. Thus Employee engagement is a barometer that determines the association of a person with the organization. The paper focuses on how employee engagement is an antecedent of job involvement and what should company do to make the employees engaged.*

**Keywords-** Employee engagement, Employee involvement, motivation, commitment.

## I. INTRODUCTION

Employee Engagement is a positive attitude held by the employees towards the organization and its values. Engaged employees can help your organization achieve its mission, execute its strategy and generate important banking industry results. Engaged employees give their crucial competitive advantages - including higher productivity, customer satisfaction and lower employee turnover. The relationship between employee engagement and organizational outcomes would be stronger if better measures were used. Therefore employee engagement should be a continuous process of learning, improvement, measurement and action.

Engagement is the extent to which employees put discretionary effort into their work beyond the minimum to get the job done, in the form of extra time, brain power or energy. Engagement is driven by an employee's immediate experience of the organization. The factors that build or destroy engagement are driven by the unique situation of each

organization and the combinations of factors needed to boost engagement are therefore different between organizations.

## II. BANKING INDUSTRY

The banking system in India is significantly different from that of other Asian nations because of the country's unique geographic, social, and economic characteristics. India has a large population and land size, a diverse culture, and extreme disparities in income, which are marked among its regions. There are high levels of illiteracy among a large percentage of its population but, at the same time, the country has a large reservoir of managerial and technologically advanced talents. Between about 30 and 35 percent of the population resides in metro and urban cities and the rest is spread in several semi urban and rural centers.

The Indian financial system comprises the following institutions:

1. Commercial banks
  - 1) Public sector
  - 2) Private sector
  - 3) Foreign banks
  - 4) Cooperative institutions
    - a) Urban cooperative banks
    - b) State cooperative banks
    - c) Central cooperative banks
2. Financial institutions
  - i. All-India financial institutions (AIFIs)
  - ii. State financial corporations (SFCs)
  - iii. State industrial development corporations (SIDCs)
3. Nonbanking financial companies (NBFCs)
4. Capital market intermediaries

About 92 percent of the country's banking segment is under State control while the balance comprises private sector

and foreign banks. A major problem Public Sector Banks have to face once Information Technology implementation reaches its optimum level is staff retention. While the private sector banks have been recruiting trained and experienced Information Technology professionals, it may not be possible for Public Sector Banks to do likewise. They will have to train their existing staff to function effectively in the new environment. And once the requisite skills are acquired by employees, they may have trouble retaining staff. Public Sector Banks can only allocate limited capital resources to computerization. They will have to choose between high cost of computerization at metro and urban centers and low cost computerization at rural, semi urban branches.

### III. REVIEW OF THE LITERATURE

**Amirtha Gowri. P. Dr and Mariammal. M. Dr (2012)** has opined that Organizations have to give their employees the freedom to make their work exciting and an environment having an engaged work life. Employees are the assets of the organization and if they are not given a space whereby they can make a perfect blend of both work and fun, the optimum performance from them may be difficult. Thus an organization should realize the importance of employees, more than any other variable, as try to engage them to the utmost possible level intriguing suitable measures.

**Bharathi. N. Dr (2009)** has explained that an employee believes in the mission, purpose and values of an organization through their commitment as an employee and their attitude towards the employer and customers. The primary behavior of engaged employees, is speaking positively about the organization to co-workers, potential employers, having a strong desire to be a member of the organization and exerting extra effort to contribute to the organizations success. It is important to note that the employee engagement process requires a two-way relationship between employer and employee.

**Bhatia. S.K. (2008).** The book has conceptualized HRD practices, Application of HRD approach, Growth of HRM and HRD, Competency development, Performance development, Career development and compensation and contemporary Issues in HRD. The author has also analyzed that in view of the fast changing organizational environment the need of the organization to develop new techniques in response to environmental changes. He has concluded that organizations have to be dynamic growth oriented and fast changing should develop their Human resources.

**Chitra Krishnan (2009)** has opined out that Employee Engagement in an organization is to maximize its

profits and gains by primary motive influencing employee theft. It is important to retain the skilled and dexterous employees in the organization, special focus would be given to the various employee engagement activities that influences each organization so that the performance of the employees keep on increasing even at the time of slump.

**Duncan Brown (2005)** has offered a practical guidance that will enable the organization to develop and implement practices that are aligned with the organization goals, structure and people. He considers.

- The important of reward strategies
- Aligning rewards with business goals
- Relating rewards to the organization structure
- Addressing specific, strategic business situations
- Reward methods and designs
- Aligning rewards strategy with employment needs
- Making the rewards strategy with employment needs
- Making the reward strategy process happen.
- A pathway for developing own reward strategy.

He also addresses the corner stones of successful reward strategy and identifies organizations competitiveness.

**Frank et al. (2004)** has argued that engagement and an employees intention to stay with their organization are influenced by the relationships held at work and the behavior experienced. Therefore, management must be able to develop a sense of community and ensure favorable behaviors are displayed, such as trusting employees by giving them autonomy to make their own decisions. However, this literature indicates that it is not just what managers do that is important but collegial relations are also important. Discretionary behavior has been revealed to be an important element that is related to engagement. However, a significant majority find their skills are not fully utilized in the workplace and opportunities to engage in discretionary behavior are denied. This again suggests that management need to pay more attention to job design, creating more opportunity for people to contribute.

### IV. EVOLUTION OF EMPLOYEE ENGAGEMENT

Employee engagement is derived from studies of morale or a group's willingness to accomplish organizational objectives which began in the 1920s. The value of morale to organizations was matured by US Army researchers during World War II to predict unity of effort and attitudinal battle-readiness before combat. In the postwar mass production society that required unity of effort in execution, morale

scores were used as predictors of speed, quality and militancy. With the advent of the knowledge worker and emphasis on individual talent management, a term was needed to describe an individual's emotional attachment to the organization, fellow associates and the job. Thus the birth of the term "employee engagement" is an individual emotional phenomenon whereas morale is a group emotional phenomenon of similar characteristics. In other words, employee engagement is the raw material of morale composed of intrinsic and extrinsic attitudinal drivers.

## V. MEANING OF EMPLOYEE ENGAGEMENT

Employee engagement is the level of commitment and involvement an employee has towards his/her Organization and its values. Moreover an engaged workplace encourages commitment, energy and productivity from all those involved to help improve business performance. Many banking industries have come to realize that maximum productivity doesn't come from just a satisfied or happy employee, they know that the most productive and loyal employee is known as an engaged employee. This employee goes beyond the basic job responsibility to delight the customers and drive the business forward. Moreover, in times of diminishing loyalty, employee engagement is powerful retention strategy. The most valuable resource of a company walks out of the door every evening and sometimes it never comes back. Employee engagement is the means or the strategy to ensure that the most valuable resource again back to the same position. It is about creating an enthusiasm for the roles and the job, the people perform and ensuring they are aligned with the values of the organization, well informed, well integrated with their colleagues and the fabric or culture of the organization.

## VI. IMPORTANCE OF EMPLOYEE ENGAGEMENT

An organizations capacity to manage employee engagement is closely related to its ability to achieve high performance levels and superior business results. Some of the advantages of Engaged employees are:

- Engaged employees will stay with the company, be an advocate of the company and its products and services, and contribute to bottom line business success.
- They will normally perform better and are more
- There is a significant link between employee engagement and profitability.
- They form an emotional connection with the company. This impacts their attitude towards the company's clients, and thereby improves customer satisfaction and service levels.
- It builds passion, commitment and alignment with the organization's strategies and goals
- Increases employees' trust in the organization.
- Creates a sense of loyalty in a competitive environment.
- Provides a high-energy working environment.
- Boosts business growth.
- Makes the employees effective brand ambassadors for the company.
- A highly engaged employee will consistently deliver beyond expectations.

## VII. NEED OF EMPLOYEE ENGAGEMENT:

Today banks are operating in a highly competitive scenario; it is pertinent to note that they need to differentiate themselves from each other. They need to have employees who are passionate about their work and strive to take their organization to greater heights. The banking sector was chosen for the study because of the sheer dynamism and the tremendous challenges that it has been witnessed in the recent years. This is primarily attributed to changing and ever increasing needs of customers as well as immense competition in the banking sector.

## VIII. OBJECTIVES OF THE STUDY

The basic objective of this study is to provide an analysis of these factors that appear to be relevant in the context of employee engagement of employees in the banking industry under the Indian context.

1. To understand the engagement of employees in the banking industry
2. The importance of employee engagement within the banking sector

## IX. SAMPLING TECHNIQUES

- Employees working in the banking industry from the age of 20 to 50 years
- Sample size is 150 sample is taken the research
- Convenience sample method to taken here the research

Data collection has been collected by primary and secondary data. The data has been collected from primary and secondary sources. Primary data was collected using a questionnaire with some questions. The questionnaire was administered to the employees working in the banking industry to study engagement level. In order to have adequate

representation of both the genders, effort was taken to ensure that the questionnaire was circulated to both the genders. The data was collected in a structured manner. Secondary data was collected from previous dissertations, research papers, journals, magazines, text books and websites.

**X. ANALYSIS AND INTERPRETATION**

Table 1. Gender wise Distribution of Respondents

Gender	No. of Respondents	Percentage
Female	72	48
Male	78	52
Total	150	100

Table shown the gender wise distribution of the respondents. In the study 52 percent of the respondents constitutes male and 48 percent of the respondents were female, it could be concluded from the observed verification that 2/3 of the respondents were male.

Table 2. No of Years of experience in ICICI bank of respondents

Years of Experience	No. of respondents	Percentage
Less than 1 year	34	23
1 to 5 years	48	32
6 to 10 years	33	22
More than 10 years	35	23

Table illustrates the no of years of experience in bank, 23 percent of the respondents opined that they have less than 1 year of experience in bank, 32 percent of the respondents were revealed that they have got the range of 1-5 years of experience, 22 percent have got experience range from 6-10 years, 23 percent were got more than 10 years of experience, it could be inferred from the practical verification that major portion of the respondents were got experience in bank not 6 to 10 years, in the same line majority of the people were youngsters and the middle age group people.

**CHI SQUARE TEST**

Chi-square is a non-parametric test used to see the association between two qualitative variables. It can be analyzed with the help of following formula

$$c^2 = \frac{\sum_{i=1}^n (O_i - E_i)^2}{E_i}$$

Where,  $O_i$  - Observed frequency

$E_i$  - Expected frequency

$i$  - any definite value ( $i = 0, 1, 2, 3, \dots, n$ )

Degrees of Freedom  $df = (r - 1)(c - 1)$

If chi-square calculated value is less than the chi-square table value or theoretical value, then we conclude that test not significant and vice versa

$H_0$ : There is no association between employee engagement practice and bank environment

$H_1$ : There is association between employee engagement practice and bank environment

**XI. RELATIONSHIP BETWEEN EMPLOYEE ENGAGEMENT PRACTICE AND OFFICE ENVIRONMENT**

STATEMENT	D.F	F2	P VALUE
Pleasant working environment	3	39.833	0
Pay and incentives	3	5.784	0.05
Recognition	3	12.352	0.06
Interpersonal relationship	1	5.539	0.063
Job satisfaction	1	23.22	0
Job involvement	4	15.304	0.004
Opportunity for the skills	3	27.475	0
Redressal of grievances	2	51.34	0

Significant at 5% level

Chi square test utilized to study the relationship between association between employee engagement practice and bank environment, the results obtained are presented in above table. It was clear from Table that all there is a significant variation found between observed and expected frequency at 5 per cent level significance, thus the hypothesis rejected, hence it could be inferred that there is a strong association between qualitative variables studied.

## XII. CONCLUSION

Organizations have to give their employees the freedom to make their work exciting and an environment having an engaged work life. With increase in responsibilities at home and a desire to excel in their careers, employees often get distracted from their work which needs to be taken care of. Employees are the assets of the organization and if they can make a perfect blend of both work and fun, optimum performance from them may be difficult. Thus an organization should realize the importance of employees, more than any other variable, and try to engage them to the utmost possible level by interesting suitable measures.

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