

## **A Study on Employee Engagement In A Private Sector Bank**

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**Abstract:** *In today's volatile market scenario wherein employees are loyal to the profession and not to the organization they are associated with; are having many choices, many options. Employee- retention is a significant and crucial issue that any organisation is focusing on as it can provide the competitive edge. Also only retention is not enough. Employees need to give their hundred percent outputs for the survival and growth of the organisation. To attain these two objectives, employees need to be engaged in the work set up. As a matter of fact employee engagement is no more a mere HR initiative -- it is a strategic foundation for leading the business in the desired direction. The result of Gallup survey indicates that engaged employees are more productive, more customer-focused, safer, and retention rate is higher. Therefore engaged employees can create a high performing organisation and thus provide an organisation a competitive edge. Business organisations need to be dynamic to attract and retain human capital. Therefore, they are focused to initiate various practices which will create an engaged work place. The paper focuses on to identify to what extent employees are engaged in the specific bank. For this purpose data was collected from a reputed private sector bank with the help of questionnaire method.*

**KeyWords:** *Employee engagement, organisational culture, psychological contract.*

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### **I. Introduction**

As per gallop survey, 87% of employees worldwide are not engaged. Also it emphasises that business organisations with highly engaged employees outperform their competitors by 147% in earnings per share.<sup>1</sup>

In today's competitive scenario, the biggest challenge for the HR professionals in any organisations is how to acquire the talent which is dearth and ultimately how to retain them. Organizations need to understand its unique value proposition it has to offer to attract and retain the manpower and grow with the help of them. In today's dynamic business scenario, just like the external customers, internal customers who are the employees of the organisation are also changing. They have various opportunities, alternatives. If an organisation cannot satisfy their demands, they will choose some others. Therefore, organisations need to be quite knowledgeable about what they can offer to satisfy their aspirations of employees and prospective candidates. When the potential candidates join the organization, the HR's job is not over. Organizations need to apprehend that if they do not fulfill the promised value propositions, employees will leave the organisation for their competitors. As a consequence the organisations performance can deteriorate because it is the employees who ultimately make or break an organisation.

A future employee is not just looking at what a company offers in terms of role or compensation. A future employee makes inquiries on the overall positioning of the organisation with the customers, whether it is better than the competitors in all respects, whether his personal aspirations match with the overall organisational mission and purpose and, most importantly, whether it is delivering what it is promising as a brand. Engaged employees are positive about the organization about their co-workers, potential associates, and customers. The bank wherefrom the data was collected is one of the most renowned private sector bank in India which is outperforming the competitors on regular basis. That is why the data was collected from the employees of the bank to understand whether the employees are engaged or not. To understand is it one of the most significant factors for the growth and profitability of the bank. The objectives of the research paper are as follows:

#### **Objectives:**

1. To understand employee-awareness of their roles
2. To understand the perception of employees as to whether their roles are in sync with company-objectives
3. To find out whether employees felt that bank trusts them with their plans for the future
4. To assess whether there was appreciation of employees' work
5. To identify whether there were good opportunities for promotion in the organization

## **II. Methodology**

For purpose of our study a sample of 298 bank employees was taken into consideration and data was collected by following a survey method with the help of a structured questionnaire. Questionnaire was developed based on the facets considered to be significant for engaging the employees.

This study was designed to explore the characteristics of the employees with respect to the engagement in the specific organisation. If a bank's performance is excellent, it is significant to measure whether employees in that specific bank were engaged or not. Specifically, the main research question of the study was to find out whether the company is having engaged employees or not?

## **III. Data Collection Methods**

Data have been and will be collected from primary and secondary sources. Literature review has been done from various secondary sources, whereas the data for pursuing the research work was collected from primary sources.

**Sample Size:** For purpose of our study a sample of 298 bank employees was drawn.

## **IV. Literature Review**

According to Deloitte University Press, employees will be engaged if the following characteristics are there in the organisation; viz. if job is meaningful through autonomy, empowered work teams, hands on management by having the management clear and transparent goals, modern performance management, positive work environment and trust in leadership.<sup>ii</sup> Researchers and scholars in the field of industrial psychology agree that a positive relationship exists between job satisfaction and psychological contract. Therefore his aspect was taken into consideration for literature review. According to Dirani, Khalil M.; Kuchinke, K. Peter (2011)<sup>iii</sup> job satisfaction was a good predictor of commitment and as we know if employees are not committed, no business strategy can be successful. Crucial facet of employee engagement is connection. Many researchers believe connection is synonymous with engagement. According to Zinger model, if employees get an opportunity to develop their career, experience well-being, believe the organisation is an esteemed one, treat them as their customers; employees performance will maximise.<sup>iv</sup> Argyris (1960) introduced the term 'Psychological contract' by mentioning that a psychological contract could be developed between employer and employee'. He did not specifically elaborated on what he meant by that. Afterwards many researchers and scholars initiated to develop the concept. As Rousseau mentioned, the psychological contract replicates the individuals' conviction about reciprocal commitments in the context of the employment relationship between employer and employee.<sup>vi</sup> In a business firm, 'psychological contract' by and large denotes to the perceived ((from the employee's perspective) fair-mindedness or sense of balance between how the employee is treated by the management and what is he contributing to the organisation. If employees are satisfied with their jobs, psychological contract gets created which in turn might lead to better productivity for the organisation.

## **V. Derivations And Interpretations**

When the question was asked to find out the perception of the respondents as to whether their work is satisfactory, out of 298 respondents, 80.9% work was satisfying. Once again, out of 298, 68.1% said that their work provided sense of accomplishment. When the question was asked to find out the perception of the respondents as to whether they knew what was expected of them, out of 298 respondents, 50.9% agreed and 14.3% strongly agreed to the statement. Again when the question was asked to find out the perception of the respondents as to whether their opinions and ideas are taken into consideration by the management, out of 298 respondents, 54.1% agreed and 9.6% strongly agreed, to the statement as presented. This kind of working environment will engage the employees.

When the question was asked to find out the perception of the respondents as to whether the roles they play, are in congruence with mission of the bank, out of 298 respondents, majority i.e., 49.7% agreed and 18.7% were neutral, 13.9% strongly agreed, 11.2% disagreed and 6.5% strongly disagreed to the statement. For these employees who strongly agreed or agreed to the statement, this kind of situation will lead to engagement.

When the question was asked to find out the perception of the respondents as to whether co-workers were co-operative; out of 298 respondents, 80% agreed to the statement. According to majority of the respondents, people at work are co-operative, indicating the situation could lead to engagement.

When the question was asked to find out the perception of the respondents as to whether employees in the department work- well together, out of 298 respondents, 56% agreed and 14.7% strongly agreed to the statement. Majority of the respondents agreed that people in the department work- well together and also some of them strongly agreed to the statement indicating a harmonious climate leading to engaging the employees.

When the question was asked to find out the perception of the respondents as to whether available resources were distributed without being biased, out of 298 respondents, 43.7% agreed and 17.4% strongly agreed to the statement. Majority of the respondents agreed that available resources were distributed without being biased and also some of them strongly agreed to the statement indicating a harmonious climate leading to an engaging situation for many employees.

When the question was asked to find out the perception of the respondents as to whether there was free flow of information in the bank, out of 298 respondents, 54.5% ticked in 4 which although not highest but on the higher side in a 5 point scale indicating that they agreed to the statement and 14.7% ticked in 5 which is the highest point indicating that they strongly agreed to the statement. 22.6% were not very sure about the statement so they were neutral. 6.8% of the respondents ticked in 2 out of 5 point which although not lowest but on the lower side in the scale indicating that they disagreed with the statement and 1.3% strongly disagreed to the statement and 2% did not respond. Majority of the respondent agreed that was free flow of information in the bank and quite a large percentage of the respondents strongly agreed to the statement indicating employees were involved.

When the question was asked to find out the perception of the respondents as to whether the bank had trust in their employees, out of 298 respondents, 50.7% agreed 18.4% strongly agreed, 19.4% were neutral, 9.2% disagreed and 2.4% strongly disagreed to the statement as presented. Majority of the respondents agreed that bank trusted the employees and some of them strongly agreed to the statement indicating employees were satisfied, involved and engaged.

When the question was asked to find out the perception of the respondents as to whether the bank was sensitive to employees' needs and aspirations, out of 298 respondents, 41.2% agreed and 15.6% strongly agreed that they agreed that the bank with which they were associated with. Quite a large number of the respondents agreed and some of them strongly agreed to the statement indicating employees were satisfied and involved.

When the question was asked to find out the perception of the respondents as to whether their seniors or reporting authority would appreciate or not, out of 298 respondents, majority of them i.e., 76.2% agreed, 20.4% disagreed and 3.4% were neutral they appreciate.

When the question was asked to get the responses as to whether someone was there in the bank who would inspire for professional growth and development of the employee, out of 298 respondents, 55.6% agreed and 13.7% strongly agreed to the statement. For the respondents, who either agreed or strongly agreed; this kind of situation will lead to engagement as they know what is going on in the bank.

When the question was asked to get the responses that whether appropriate feedback is given to the employee on their performance, out of 298 respondents, majority i.e., 54.9% agreed and 20.8% strongly agreed. Majority of the respondents agreed to the statement. Again quite a large number of the respondents strongly agreed to that. For the respondents, who either agreed or strongly agreed to the statement; this kind of situation might lead to engagement.

When the question was asked to get the responses that whether promotions were fair and objective or not, out of 298 respondents, majority i.e., 53.7% agreed and 11.2% strongly agreed, 23.1% were neutral, 10.5% disagreed and 1.4% strongly disagreed to the statement. Majority of the respondents agreed that promotions were fair and objective. Again some of the respondents strongly agreed to that. For the respondents who either agreed or strongly agreed to the statement; this kind of situation leads to engagement.

When the question was asked to get the responses that whether their ideas were considered or not, out of 298 respondents, 49.7% agreed and 15.3% strongly agreed to the statement. For the respondents, who either agreed or strongly agreed to the statement; this kind of situation will lead to engagement.

When the question was asked to get the responses as to whether the bank provided initial training required for the new task, out of 298 respondents, 43.3% agreed and 19.1% strongly agreed to the statement. For the respondents, who either agreed or strongly agreed to the statement; they might be engaged.

When the question was asked to find out the perception of the respondents as to whether career advancement was based on ability or not, out of 298 respondents, majority i.e., 63.4% agreed to the statement indicating the situation would lead to create engaged employees.

When the question was asked on empowerment to find out the perception of the respondents, out of 298 respondents, majority i.e., 65.1% informed that they were empowered which can lead to employee engagement.

When the question was asked to find out the perception of the respondents as to whether management believes in open door policy or not, out of 298 respondents, majority i.e., 58.8% agreed, 14% strongly agreed, 19.7% were neutral, 6.8% disagreed and 0.7% strongly disagreed. For the respondents who either agreed or strongly agreed that there was open-door policy. This kind of situation leads to engagement as they know what is going on in the bank.

When the question was asked to get the responses on whether organisational policies were clearly communicated, out of 298 respondents, majority i.e., 59.6% agreed, 18.2% strongly agreed, 14.3% were neutral,

5.4% disagreed and 2.5% strongly disagreed to the statement. The respondents either agreed or strongly agreed to that statement. This kind of situation will lead to employee engagement as they know what is going on in the bank.

When the question was asked to get the responses on whether they used to receive communication from top management on regular basis or not, out of 298 respondents, majority of the respondents i.e., 57.5% agreed, 15% strongly agreed, 17.5% were neutral, 7.5% disagreed and 17.5% strongly disagreed to the statement. For the respondents who either agreed or strongly agreed; this kind of situation might be satisfactory as they know what is going on in the bank.

When the question was asked to get the responses on employees were aware of long-term strategy of the bank or not, out of 298 respondents, 44.6% agreed, 22.8% neither agreed nor disagreed with the statement and 14.4% strongly agreed, 10.1% disagreed and 1.7% strongly disagreed with the statement. 6.4% did not respond. For the respondents who either agreed or strongly agreed that they were aware of long-term strategy of the bank; this kind of situation leads to engagement.

Again when the question was asked to get the responses on the employees had faith in the leadership of the bank, out of 298 respondents, 44.3% agreed, 18.5% neither agreed nor disagreed with the statement and 14.4% strongly agreed, 5.7% disagreed and 2.3% strongly disagreed with the statement. For the respondents who either agreed or strongly agreed that they had faith in the leadership of the bank, this kind of situation would lead to engagement.

Again when the question was asked to get the responses on leadership development strategy, out of 298 respondents, 43.3% agreed that it was totally available, 32.5% agreed to a certain extent it was available, 13.3% were neutral, 5.8% informed that it was lacking to a certain extent, 5% informed that it was totally lacking to the statement. For the respondents, who either agreed that totally or partially, it was available; this kind of situation leads to employee engagement.

## **VI. Conclusion**

Based on the analysis it was observed that for majority of the respondents most of the time work was satisfactory, 'provided sense of accomplishment', employees knew what is expected of their roles, understand that their opinions and ideas seem to matter, they feel their roles are in sync with the mission /objectives of the bank, they feel engaged at work place. The same results came out based on the research-work. Based on the analysis it can be concluded that majority of the respondents believed that their opinions and ideas are taken into consideration by the management, the roles they play, are in congruence with mission of the bank, their opinions and ideas are taken into consideration by the management, co-workers were co-operative, employees in the department work- well together, available resources were distributed without being biased, there was free flow of information in the bank, the bank had trust in their employees, the bank was sensitive to employees' needs and aspirations, seniors or reporting authority would appreciate or not, there was someone who inspires or professional growth and development, someone was there in the bank who would inspire for professional growth and development of the employee, appropriate feedback is given to the employee on their performance, appropriate feedback is given to the employee on their performance, promotions were fair and objective, their ideas were considered or not, bank provided initial training required for the new task, career advancement was based on ability, they were empowered, there was open-door policy and they can approach the management, organisational policies were clearly communicated, they used to receive communication from top management on regular basis or not, employees were aware of long-term strategy of the bank, employees had faith in the leadership of the bank and leadership development strategy was there in the bank. Majority of the respondents agreed to all statements mentioned above, so they develop psychological contract and felt engaged with the work.

Therefore, conclusion could be drawn that the management engaged the employees effectively and thus developed the psychological contract essential for growth and profitability which led to bank to have the competitive edge over other private sector banks.

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<sup>i</sup> <https://my.gallup.com/?gclid=CNGimPzVy9MCFVKVaAodZ20PVQ>

<sup>ii</sup> <https://dupress.deloitte.com/dup-us-en/deloitte-review/issue-16/employee-engagement-strategies.html>

<sup>iii</sup> Dirani, Khalil M.; Kuchinke, K. Peter, Job Satisfaction: A Study of Public and Private Sector Employees, *International Journal of Human Resource Management*, Mar2011, Vol. 22 Issue 5, p1180-1202. 23p.

<sup>iv</sup> <http://www.davidzinger.com/zinger-model/>

<sup>v</sup> Argyris, C. (1960). *Understanding Organizational Behavior*. Homewood, IL: The Dorsey Press

<sup>vi</sup> Rousseau, D. M. (1990). New hire perceptions of their own and their employer's obligations: A study of psychological contracts. *Journal of Organizational Behavior*, 11, 389–400.