

Influence of Employee Engagement on Job Performance and Organizational Engagement in the Banking Sector

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Abstract

Over the past two decades, employee engagement has become a very popular management structure. Organizations use a variety of engagement tools to stay competitive and improve their performance. HRC's contribution to the concept of employee engagement is increasing, but academic research on this structure is still lacking, especially in emerging economies. This lack of engagement has become increasingly important as a result of ongoing recession struggles and, in particular, the scarcity of existing resources. This is a preliminary study to identify the main factors of employee engagement in India. The impact of employee engagement on work performance and organizational engagement is also explored on the basis of the Social Exchange Theory (SET). The questionnaire has been developed and validated. Chi-square analysis was used to predict and explain the proposed association. The survey was conducted among 520 individuals and employees of state-owned banks operating in Andhra Pradesh and the response rate was about one hundred percent (520 employees). The chi-square results showed that fairness in reward and recognition was the most important factor in employee engagement. The effect of mediation has been confirmed. Employee engagement has had a significant impact on the work performance and engagement of the organization. This study is in addition to a few academic studies that have empirically examined a comprehensive model of employee engagement rates and outcomes. To the author's knowledge, this study is the first of its kind in India.

Keywords: employee engagement, job challenges, autonomy, variety, feedback and person job fit, opportunities development, training and development, role clarity.

1. Introduction

Employee engagement is understood as an individual's investment in a job role. Engagement is a positive attitude in which a person transcends their responsibilities to increase their level of ownership and promote the business interests of the entire organization. In addition, it is a deliberate effort or a form of follow-up or behavior on paper that promotes change and has an impact on employee morale, productivity, engagement, internal and external customer loyalty, employee absenteeism and employee turnover. Therefore, engagement from employees has been favored by professionals and the research / university world, and is considered a barometer that measures individual engagement to the workplace. There is still a gap in academic engagement to employee engagement literature, which is constantly leading to the need for more empirical research in this field in diverse and demographic settings. India is still an emerging economy where the term and practice of employee participation is still being explored. The purpose of the study is to clearly identify this gap in engagement. To this end, he researched eight factors and two results from the engagement of public and private bank employees to Rayalaseema region of Andhra Pradesh in India. The eight factors that motivated employee engagement were: job challenges, autonomy, variety, feedback and person job fit, opportunities development, training and development, role clarity Execution of work and tested result of employee engagement. The Indian banking sector continues to play a key role in the country's economic development.

Social exchange theory (SET) is the most widely accepted theory widely used in recent research on employee engagement. A fundamental principle of SET is that individuals make social decisions based on perceived costs and mutual benefits. It proposes to encourage workers to participate in their work, based on a fair and balanced trading system. This exchange rate evolves over time through trust, loyalty and mutual commitment. In conclusion, the SET theoretical framework defines the reasons why employees choose to commit more or less to their work, positively or negatively, based on the financial, social and emotional resources they receive from their organization, or even choose to remain organization.

Leadership was considered an important antecedent of participation. This factor consisted of effective indicators of management behavior and perceived supervisory support (PSS). Effective leadership that promotes engagement reflects the standards of employee self-esteem, communication, transparency and treatment, as well as ethical standards of organization. According to the engagement literature, leadership also includes inspiring motivation in which leaders give meaning and challenge to the work of designated employees; In addition, intellectual stimulation where managers encourage the creativity and adaptability of employees in an innocent situation. As a result, employees develop trust in their leaders and management, which translates into a mutual attempt to assume their organizational responsibilities through engagement. Trusting the leader, supporting him and creating a flawless environment are elements of psychological security that enable employee participation. In addition, adaptability and proactivity, encouraged by intellectual stimulation, are elements of engagement.

2. Review of literature:

“**Shine and Bose (2014)**, banking face fierce competition and growing opportunities. Keeping employees retired has become a professional task. From now on, they can aim to make the company a pleasant place to work. Today, in office development, employees are the most critical and real asset of a business. They must be saved with satisfaction and contribute to the goal of increasing productivity and solving various employer problems through employee engagement. Organizations with a high level of engagement provide opportunities for staff to increase their skills, learn new skills, gather new knowledge and develop their skills.

According to **Dutta and Sharma (2016)**, the banking sector has become one of India's most important service areas and has experienced strong development. Increasing revenue requires financial services that lead to a dramatic increase in innovative technology, instant access and familiarity with various financial institutions in order to disrupt the global environment. Loyal employees make the brand's productive customer experience credible. In this study, the author seeks to identify gaps in employee participation patterns in the Indian banking sector. According to the study, the theoretical model is to create an attractive approach to team participation.

David et al. (2015), "Exploiting this engagement is a key issue in a highly competitive world where a company is facing worldwide. 87% of organizations cite culture and engagement as one of their biggest challenges, and 50% say the problem is "very important". Engagement plays such an important role in business performance. Most organizations are not doing enough to measure their skills or disabilities. Make engagement a priority for your business and update the measurement and evaluation process for the entire company. An important company is seeking external recognition to validate its efforts and assure the authority that engagement and maintenance of people is its number one priority. Organizations that create a valuable work culture, deep engagement, employee engagement and organizational skills, and strong leadership outperform their peers and are likely to gain their competitive edge by attracting the best talent. "

According to Roy (2013), "organizations are under high pressure to improve their performance and increase the contribution of all employees. Employee engagement has become an attractive business proposition. Highly effective engagement is the key to improving the performance of all employees." Commitment is made when well-qualified employees are have the right knowledge and tools to make relevant decisions and can lead the organization to achieve its financial and strategic goals. "

According to **ACAS (2014)**, "Employers must also ensure that they offer significant opportunities for engagement. Business opportunities must really fall into the category of meaningful contacts between managers and employees, who must have the opportunity to ask questions, to voice their concerns and to propose solutions. Employers must ensure genuine employee participation in order to foster dialogue and participation rather than just one-way communication. A workplace approach designed to ensure that employees adhere to the goals and values of their organization, encourages them to contribute to the success of the organization and also allows them to continually improve their self-image. "

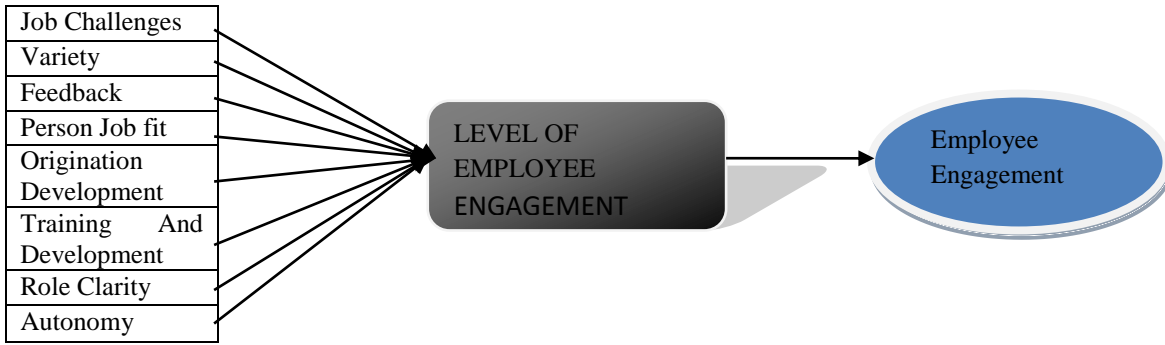
According to **Sibina, Muchena, Ncube (2014)**, employee engagement is mainly used to describe the adaptation of an organization's mission to that of employees who have been tested for mental health at work. Employee engagement has a major impact on employee behavior, which is essential to the success of an organization and is based on such indicators as productivity, profitability, safety, customer satisfaction and company reputation, dedication and dedication. retention of key personnel, especially in a changing job market. Banking provide a fruitful basis for employees' commitment to success in harnessing their knowledge and human capital.

According to **Pandey and David (2013)**, employee engagement refers to a situation in which employees are fully involved in their work and are emotionally concerned about the organization. An "interested worker" is someone who is very interested in and passionate about painting. It acts in such a way as to foster its business, a world-class paint environment, development opportunities and enrichment, leading to greater employee participation in growth sectors such as information technology and pharmacy. . Employee engagement and loyalty are more important than ever before the satisfaction and competitive advantage of a company. "engaged employees have active and solid experience in the sport and believe they can adequately meet the needs of their workplace."

According to **Cognizant (2012)**, economic reforms launched in 1991, high effective growth rates in the services and IT automation sectors, open capital markets and similar income levels are considered the emergence of banking and investment services in India. The rise of various investments in India is at the same time a development of the private banking sector. This was seen as a rapid growth of the private banking sector in the country. Banks are always looking for a source of unexplored or partially researched activity. Income includes mutual funds, insurance, alternative investments, gold bars and real estate. TPP recommendation and sharing will generate revenue for the bank.

According to **Balakrishnan and Masthan (2013)**, “Employee engagement defines employees' emotional and intellectual commitment to them. Participating employees understand the purpose of their work and subtly work to improve the organization's goals. Employees are an asset to the organization. The use of the organisation's intellectual capital has become an important source of competitiveness. In the era of the workers' war, workers are seen as the most affordable resource. An organization may collect the most identical assets from its competitors, but it cannot duplicate a competitor's skills and knowledge of human resources. Now the situation is very frightening as many organizations are targeting skilled and experienced employees around the world. Employees have a very strong bargaining position as demand increases. In this context, an understanding of employee participation is essential. "

Conceptual Model of this Study:



3. Research Methodology

The present study is mainly based on primary data. Primary data collected from sample organizations include both Public and Private Banks of Rayalaseema region of Andhra Pradesh. The organizations which are selected for research include 2 banks oneeach from public and private sector banks of Rayalaseema region of Andhra Pradesh (Ananthapur, Kurnool, Chittoor and YSR Kadapa). The sample size has been determined by Glenn Method. The method adopted for selecting is simple random sampling. The details of sample design are given in table

Sample Design

Name of the Bank	Population	Category	Sample Size
Public			
State Bank of India	2457	Public	333
Private			
HDFC	360	Private	187
Total	2817		520

Objective of the Study:

1. To study the relationship between demographic factors of the respondents and Employee Engagement.
2. To examine the key drivers of employee engagement in select banks.

Hypotheses of the Study:

- H₁** : There is a significant association between the demographic factors and Employee Engagement.
- H₂** : Reward and recognition is the key driver for Employee Engagement in both the select public and private banks.

Statistical tools used for the study:

This research will be used some of statistical tools to represent data effectively. So in this research these following tools of statistics will be applied for representation of data, chi square Mean, standard deviation, Charts and Diagrams In this research data will be represent effectively through chart and tables.

Data analysis and Interpretation: In this present study we are focusing on two dimensions one is to check the demographical factors and key drivers association with an employee engagement.

- H₀** : There is a no significant association between the demographic factors and Employee Engagement.
- H₁** : There is a significant association between the demographic factors and Employee Engagement.

Demographic Vs Employee Engagement	Pearson chi square Value	df	Asymp. Sig. (2-sided)	Null hypothesis
Name Of The Bank * Emp_Eng	196.240 ^a	2	.000	rejected
Gender * EMP_Eng	31.714 ^a	2	.000	rejected
Age * Emp_Eng	142.846 ^a	6	.000	rejected
Marital Status * Emp_Eng	72.609 ^a	2	.000	rejected
Education * Emp_Eng	22.237 ^a	2	.000	rejected
Designation Level * Emp_Eng	31.372 ^a	2	.000	rejected
Salary (Annual) * Emp_Eng	65.555 ^a	8	.000	rejected
Total Job Experience * EMP_ENG	161.534 ^a	10	.000	rejected

H₀ : There is no association between Reward and recognition on Employee Engagement in both the public and private banks.

H₂ : There is an association between Reward and recognition on Employee Engagement in both the public and private banks

emp_key_drivers * EMP_ENG Crosstabulation

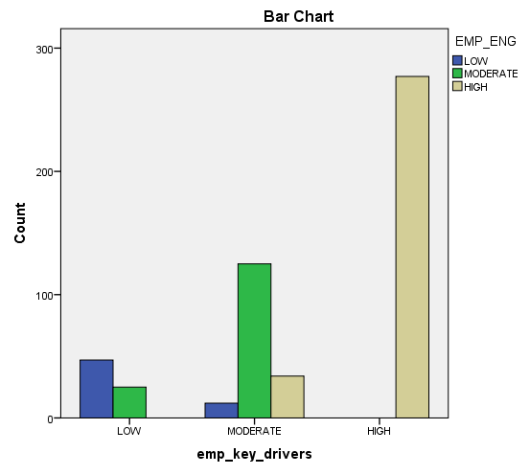
Count		EMP_ENG			Total
		LOW	MODERATE	HIGH	
emp_key_drivers	LOW	47	25	0	72
	MODERATE	12	125	34	171
	HIGH	0	0	277	277
Total		59	150	311	520

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	579.138 ^a	4	.000
Likelihood Ratio	604.568	4	.000
Linear-by-Linear Association	394.029	1	.000
N of Valid Cases	520		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 8.17.

above table reveals chi square values between employee key drivers and employee engagement that there is association between employee engagement because the pearson chi square value is lesser than the 0.05 significance level.



Conclusion:

To date, there is no generally accepted definition of employee engagement. However, there is growth the authors agree that structure is separable from leadership concepts such as employee engagement, civic behavior of the organization and job satisfaction, so that employees the compromise clearly reflects the mutual exchange between employees and employers and that is why meaning extended beyond the above structures. Try to find a clearer and more acceptable definition. Most studies show that management appreciates the feeling of two-way communication between and employees, management's interest in employee welfare and empowerment are the main factors of employee engagement. However, as the studies show, employees do not give much importance of salaries and benefits. This may be the case because almost all research has been conducted on banking working in economically rich countries. Drivers' priorities could have been different if corresponding studies were available in other third world countries such as Africa. So more global is needed studies involving more countries.

The literature shows that employee participation is closely linked to an organization's performance. Banking whose employees are hired retain their employees longer because of lower sales. intention to leave the company with productivity, profitability, growth and customer satisfaction. And on the other hand Banking with layoffs, wasted work and talent, less commitment Worker absenteeism increases, with less concentration on the client, less productivity operating margins and net profit margins. Most studies only emphasize the importance and the impact of employee engagement on business results as they no longer provide cost-benefit analysis commitment decisions. Like all other findings, the employment decision must be evaluated the benefits and associated costs without highlighting, not to be affected the decisions-makers. It is therefore necessary to consider the cost aspect of leasing decisions. The remarkable fact is the results of today's research can be used as a cornerstone in the construction of any gasoline to build. In addition, much of the work on building employee engagement comes from research houses and design offices. Therefore, it is imperative that the Academy explore this new structure and appear- a clear definition and justification of the dimensions used to measure employee participation importance of the concept of engagement.

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