

# EMPLOYEE ENGAGEMENT: A COMPARATIVE STUDY OF THE SELECT PUBLIC AND PRIVATE BANKS

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**Abstract:** The paper explores and examines the extent of difference in Job Engagement, Organization Engagement and employee Engagement of employees working in the select public and private banks in India. A total of 178 junior and middle level managers working in one public and one private bank in the Twin cities of Hyderabad participated in the study. A self-report measure of Employee Engagement as developed by Saks, (2006) was used in this study to measure Job Engagement, Organization Engagement and Employee Engagement. Findings of the study revealed that significant difference in Job Engagement and Organization Engagement of the respondents from the two select banks were observed.

**Keywords:** Job Engagement, Organization Engagement and Employee Engagement, Comparative study.

## 1.1 Introduction

The present day business environment is highly characterized by intense competition, rapid technological changes and ever rising customer expectations. The organizations have increasingly started realizing the need for attracting, retaining and nurturing the intellectual capital to meet these environmental challenges. They are highly focused on harnessing the potential of their human power to gain and sustain competitive advantages. The organizations look for employees' qualities like creativity, proactiveness, competence and commitment that drive their efficiency, performance and sustainability. As a result, the concept of employee engagement has been gaining a considerable weight in HR practices. According to Professor Katie Truss, "Engagement is about creating opportunities for employees to connect with their colleagues, managers and wider organization. It is also about creating an environment where employees are motivated to want to connect with their work and really care about doing a good job. It is a concept that places flexibility, change and continuous improvement at the heart of what it means to be an employee and an employer in a twenty-first century workplace."

Academicians and HR practitioners claim that employee engagement shares a strong positive relationship with various business outcomes, both at the firm and individual levels, including retention, productivity, profitability, and customer loyalty and satisfaction. Employee engagement is a combination of feelings and behaviors associated with work and the organization. Feelings include energy and enthusiasm. Behaviors include accomplishing goals (Schneider, Macey, Barbera, & Martin, 2009). An engaged workforce is beneficial for an organization because engaged employees connect with the organization, show loyalty, and involvement in the job (Lockwood, 2007).

The knowledge base of the engaged employees also allow the organization to stay competitive (O'Neal & Gebauer, 2006). Engagement is believed to be a two way process: as organizations work to engage the employee, who in turn has a choice about the level of engagement to offer the employer. Each reinforces the other. As employee engagement appears to be a major challenge for organizational leaders (Pritchard, 2008), they want to understand why their employees show different levels of engagement (Corace, 2007). Having the knowledge of employee engagement levels could help leaders strengthen the employee-employer relationship and facilitate employees moving to the next engagement levels (Sanchez & McCauley, 2006). Turner, (2007) revealed that engaging the workforce troubles leaders in both public and private sectors. Pritchard, (2008) mentioned about his findings that differences in engagement also occur between public sector and private sector workers and public sector employees trail behind private sector employees in employee engagement. Employee Engagement has been reported to be one of the key challenges globally by a large chunk of organizations globally (The Global Human Capital Trends report, 2015).

## 1.2 Review of literature

The contribution of Kahn is credited with the evolution of engagement in academic literature. Kahn was the first to define engagement as a separate construct (Shuck & Wollard, 2010). According to Kahn (1990), personal engagement is "the harnessing of organization members' selves to their roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performance". A different approach, rooted in positive psychology and frequently termed the burn out family, defines "work engagement" as the opposite of psychological burn out

(Seppälä et al., 2009; Schaufeli et al. 2002; Maslach and Leiter 1997; Maslach et al. 1996, 2001). Maslach and Leiter (1997) characterized engagement as having sub-dimensions that oppose the three burnout dimensions, exhaustion, cynicism and lack of professional efficacy. Schaufeli et al. (2002) proposed a definition of operational engagement involving a state of mind. Engaged employees have a connection with work activities. Job engagement helps employees to handle the demands in the work environment. According to their conceptualization of Job engagement it comprises three elements namely vigor: a high energy level and resilience when working, the second element is absorption: interest in one's work, the last element is dedication; employees experience pride and enthusiasm in their work. They came up with a tool to measure job engagement known as Utrecht Work Engagement Scale. Another vital contribution came from the work of Saks (2006) who conducted a study of employee engagement exploring the relationships between antecedents, consequences and employee engagement. Two types of engagements viz. job and organization engagements were identified by Saks model (2006). These two types of engagement were empirically identified by this study as two distinct sets of engagement. Employee engagement is aptly presented in the literature by highlighting its importance to organizations. It says that Employee engagement means having healthy, safe and motivated, productive employees who are less likely to be absent or leave the organization, as well as higher customer satisfaction ratings and better work outcomes or revenue (Shuck & Wollard, 2010). A major contribution to the field of employee engagement comes from the contributions of the HR practitioners. Engaged employees drive innovation and connects with the organization (Gallup, 2006). Researchers at Gallup (2010), reported a ratio of 1.83:1 for engaged to actively disengaged employees in the workforce. Disengaged employees are disconnected from the organization (Blessing White, 2008). Organizations with high employee engagement are more successful than those with low engagement (Harter, Schmidt, Asplund, Killham, & Agrawal, 2010; Towers Perrin, 2003, 2007; Wagner & Harter, 2006). Organizations with highly engaged employees have less absenteeism, turnover, theft, and accidents, in addition to higher customer satisfaction scores, profitability, and productivity (Wagner & Harter, 2006). Engaged employees also contribute to organizational success as a link between company reputation and stakeholder value (Gallup, 2010; Lockwood, 2007). India. Gallup's 2012 data indicate that among Indians who work for an employer, 9% are engaged, while 31% are actively disengaged.

### 1.3 Need and significance of the study

Indian Banking sector is considered to be one of the strongest pillars of Indian economy. The challenges like adherence to strict norms, intense competition, robust technological changes, financial inclusion and managing generation Y customer and employees have led the sector to a metamorphosis. To meet the environmental challenges and bag the opportunities, the sector needs a workforce that is willing to contribute physically, cognitively, emotionally and ready to go extra mile. To this end, it seems desirable for the leaders to know how engaged their workforce is. It would provide them a base to design the future strategies and HR practices to take their workforce to next levels of engagement. Since the construct seem vital to be explored further, the present study seeks **to examine and compare the Job Engagement, Organization**

### Engagement and Employee Engagement of employees working in the select public and private banks.

### 1.4 Research methodology

#### 1.4.1 Objectives of the study

1. To examine Job Engagement, Organization Engagement and Employee Engagement of employees working in the select public and private banks under study.
2. To compare Job Engagement, Organization Engagement and Employee Engagement of employees working in the select public and private banks under study.

#### 1.4.2 Hypotheses of the Study

H<sub>a1</sub>: There exists a significant difference in Job Engagement of employees working in the select public and private banks under study.

H<sub>a2</sub>: There exists a significant difference in Organization Engagement of employees working in the select public and private banks under study.

H<sub>a3</sub>: There exists a significant difference in Employee Engagement of employees working in the select public and private banks under study.

#### 1.4.3 Sample Size and data collection

Data was collected from a total of 178 junior and middle level managers working in one public and one private bank in the twin cities of Hyderabad including Secunderabad also.

The questionnaires were distributed to 250 junior and middle level managers. 178 completed and usable questionnaires were received (a response rate of 71.2%). 78% percent of the respondents were male and 22% were females.

### 1.4.4 Research Instruments

The self-report measure of Employee Engagement developed by Saks, (2006) was used to measure job engagement, organization engagement and employee engagement of the respondents. It is an 11 item scale. It comprises two sub scales measuring job engagement and organization engagement. Job engagement scale is a five-item scale and Organization engagement is a six item scale. Responses to these items were recorded on 5-point scales (1=strongly disagree and 5=strongly agree). The reliability of the scale for this study was checked and alpha value is found to be 0.82. The face validity and the content validity of the instrument were examined by incorporating opinions and feedback of some experts and academicians.

### 1.5 Findings and Discussion

In light of the objectives of the study a descriptive analysis was performed. Independent samples t-test were performed to test the hypothesis.

**Table 1: Mean, SD and Independent samples t-test**

EMPLOYEE ENGAGEMENT AND ITS DIMENSIONS	Total Sample		Public sector		Private sector		t-test	
	N= 178		N= 92		N=86		t- value	Sig. (2- tailed)
	Mean	S.D.	Mean	S.D.	Mean	S.D.		
JOB ENGAGEMENT	3.66	0.9	3.66	0.72	4.05	0.67	3.053	0.00*
ORGANISATIONAL ENGAGEMENT	3.48	0.91	4.09	0.56	3.73	0.76	-3.195	0.00*
EMPLOYEE ENGAGEMENT	3.57	0.73	3.87	0.53	3.87	0.6	0.018	0.986

From table 1, it can be seen that mean scores of the respondents for the three engagements for the total sample are as follows: job engagement (Mean = 3.66), organization engagement (Mean = 3.48) and employee engagement (Mean = 3.57). The value of standard deviation ranges between 0.73 and 0.93. In the select public bank under study, the mean score is highest on organization engagement (mean = 4.09) followed by employee engagement (mean = 3.87) and lowest for job engagement (mean = 3.66). The value of standard deviation ranges between 0.53 and 0.72. Whereas in the select private bank the mean score is highest for job engagement (mean = 4.05) followed by employee engagement (mean = 3.87) and lowest for organization engagement (mean = 3.73). The value of standard deviation ranges between 0.60 and 0.76.

#### Independent-sample t-tests were conducted to test the following hypothesis:

H<sub>a1</sub>: There exists a significant difference in Job Engagement of employees working in the select public and private banks under study.

H<sub>a2</sub>: There exists a significant difference in Organization Engagement of employees working in the select public and private banks under study.

H<sub>a3</sub>: There exists a significant difference in Employee Engagement of employees working in the select public and private banks under study.

Table 1 shows the results of the t-tests. A significant difference in the mean scores of Job Engagement (t=3.053, p<0.05\*) and Organization Engagement (t=-3.195, p<0.05\*) were observed while making a sector wise comparison. The respondents from public bank under study reported higher Organization Engagement as compared to their counterparts in private bank under study, Whereas, respondents from private bank under study reported higher Job Engagement as compared to their counterparts in public bank under study.

**As the results were observed to be statistically significant with p values less than 0.05, hence, the hypothesis H<sub>a1</sub> and H<sub>a2</sub> are accepted.**

However, no significant difference in the mean scores of overall Employee Engagement (p>0.05) were observed while making a sector wise comparison.

As the results were observed to be statistically insignificant with p values greater than 0.05, hence, the hypothesis  $H_{a3}$  is rejected.

The results of this study empirically identified two types of engagements viz. job and organization engagements as two distinct sets of engagement, confirming the Saks model (2006). A significant difference in the mean scores of Job Engagement ( $t=3.053$ ,  $p<0.05^*$ ) and Organization Engagement ( $t=-3.195$ ,  $p<0.05^*$ ) were observed while making a sector wise comparison. The respondents from public bank under study reported higher Organization Engagement as compared to their counterparts in private bank under study. Whereas, respondents from private bank under study, reported higher Job Engagement as compared to their counterparts in public bank under study. The findings support the argument of Pritchard, (2008), that differences in engagement also occur between public sector and private sector workers. However, this study revealed that public sector employees trail behind private sectors employees only in job engagement. This study also joins the findings of Moody (2012) that no differences are found in overall employee engagement levels of employees of the two sectors.

### 1.6 Implications of the Study

This research study adds to the body of knowledge by giving an insight into the status of job, organization and employee engagement among public and private sector employees. The research results would help the leaders of both the sectors to collaborate and identify areas in the workplace that can enhance engagement levels of employees. The private banks leaders can get an insight from the public banks to identify the factors contributing to higher organization engagement and vice versa. Organizations in both the sectors should also ensure that they promote such culture that help the employees to develop and fine tune the necessary skills and

attitudes that help them to move to the next levels of engagement. It would also help the organizational leaders to invest in programs and initiatives that help sustain engagement.

### 1.7 Suggestions for Future Research

Future research should aim at identifying the reasons for these differences in job and organization engagement levels in the two sectors.

### 1.8 Limitations of the Study

One of the limitations of the study is that it was limited to two select banks in a select geographical area. A more diverse sample drawn from more banks or from the broader geographical regions would have facilitated a better understanding and generalizations of the findings. The other limitation of the study is that the self-reported measure of the construct was used for data collection. So, the chances of natural bias and a single source bias influencing the results cannot be ruled out. Finally, due to time constraint the sample size was relatively small.

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