

Employee Engagement- A Study with Special Reference to Bank Employees in Rural Areas

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Abstract

Employee engagement is a high impact factor towards productivity of an organization. It is an emotional and psychological attachment of an employee towards his/her organization. An engaged employee is always more reliable, self-motivated and loyal to strengthen the organization towards sustainable position. There are many factors that influence an employee engagement in association with demographic factors. Here the researchers have taken individual factor upon grouping up various variables and tried to find the relationship between the demographic factors and the individual factors. **Objectives:** The purpose of this study is to find out the contributing variables which are significantly influencing in the engaged workforce and to study the effect and relationship among the EE factors in association with output factors. **Method/Analysis:** The researchers have selected 124 respondents and collected primary data by adopting standard questionnaire. The statistical tools such as Chi square test, one-way ANOVA and regression analysis were used to analyze the data. **Findings:** The predictor variables viz., Co-Workers, Department, Rewards and recognition, Opportunities, Team work and Immediate Supervisor are statistically significant factors towards employee engagement. The regression results also show that the variables such as Job, Superior, Organization and Communication are not statistically significant. There is a significant relationship between employee engagement and outcomes - discretionary efforts and retention. There is a statistical significant effect of employee engagement on Discretionary Effort which is one of the outcomes of the study. **Applications/Improvements:** The present study suggests the important factors contribute the employee engagement in a better way in banks. The study results will make certain impact oriented changes in banks.

Keywords: Employee Engagement, Engaged Workforce, Productivity, Rewards and Recognition

1. Introduction

Engagement can be related to job involvement which is the degree of an employee with his or her job situation along with identity and expertise¹. In² reviewed information about emotional intelligence, leader's characteristics and the effect on employee engagement and the study supports the ability of the leader to engage direct reports. Training and coaching techniques for individual and

teams can be obtained from this study. In³ suggests that the organization climate will get affected by the positive correlation between a manager's emotional intelligence, by which employee's view of the company depends. The study also indicates that employee morale will positively get affected by emotional intelligence of managers. In⁴ states that employee engagement stems from biological or social survival system. Warm feelings are experienced by the co-operation enforced with places, persons and things that are important to the employees.

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In⁵ identifies the manager's behavior to implement employee engagement among their team. More than 25 senior managers and their team members were engaged for the research and their behaviors were identified. The role of communication was considered in enhancing employee engagement. In⁶ suggests a definition for organization engagement which links employees to the organization and their performance influenced by organizational level communication.

Gallup gives a brief overview about the concept of engagement. It describes three types of employees: Engaged, not-engaged and actively disengaged. In addition, the article suggests that organizational productivity depends upon these types of engaged employees⁷. In⁸ focused on the association between being on fire and burnout. In⁹ found that employee engagement is positively influenced only by the supervisory support. The support could be involvement in day to day decision making and also control over schedules and tasks. The leadership and management are considered as the drivers of employee engagement. Those drivers alone provide opportunities, coaching, clarify expectations, and ensure that work is efficiently and effectively designed¹⁰.

According to¹¹ there is a relationship between employee engagement and job involvement and has also suggested some steps that the company should take to make the employees engaged. In¹² suggested some steps to the human resource and talent management professionals to improve employee engagement in their organization.

According to¹³ employee engagement is the two-way relationship of employer and employee. The relationship is influenced by three constructs viz., employee commitment, organizational citizenship and job satisfaction. The result is that an engaged and an involved employee will go extra mile with a great enthusiasm beyond the employment contractual agreement. The researcher identifies employee engagement as an outcome of internal public relations. This study examines the association of employee engagement with employee-organization relationships and the internal reputation.

In¹⁴ studied on engagement issues of the administrative officers of educational institutions. It dealt with the nature of work, their morale, some of the factors influencing their engagement. The author has also analyzed the current engagement level and found out ways to improve the same.

2. Study Variables

The researchers have chosen demographic variables such as Age, Gender, Income, Years of Experience, Position and Qualification, and the independent variables such as Job, Co-Workers, Superior, Department, Organization, Rewards and Recognition, Opportunities, Team Work, Immediate Supervisor and Communication. To measure the employee engagement, the variables (validated by Gallup) viz., "Expectations, Materials and equipment, Opportunity to do what I do best, Recognition for good work, Someone at work cares about me, Encourages my development, Opinions count, Mission/Purpose, Associates committed to quality, Best friend, Progress and Learn and grow" which lead to the Outcome variables of Discretionary effort and Retention.

3. Conceptual Model

The factors have been chosen by the researchers and developed a conceptual model as presented the given Figure 1.

4. Statement of the Problem

Human Resource planning plays a major role in the service sector because the customer experience is solely held responsible by the employees. Among the service sector, the banks were chosen to study the levels of employee engagement level in different dimension. There is certainly no doubt regarding the availability of resources in banks. But how optimally the resources are utilized? With this question, the researchers made an attempt to study the engagement level of employees from banks of areas in Trichy.

5. Objectives of the Research

- To study the association between demographic variables of respondents and employee engagement.
- To understand the variation between the individual factors and employee engagement of Bank employees of rural areas.
- To study the effect of individual factors on employee engagement.

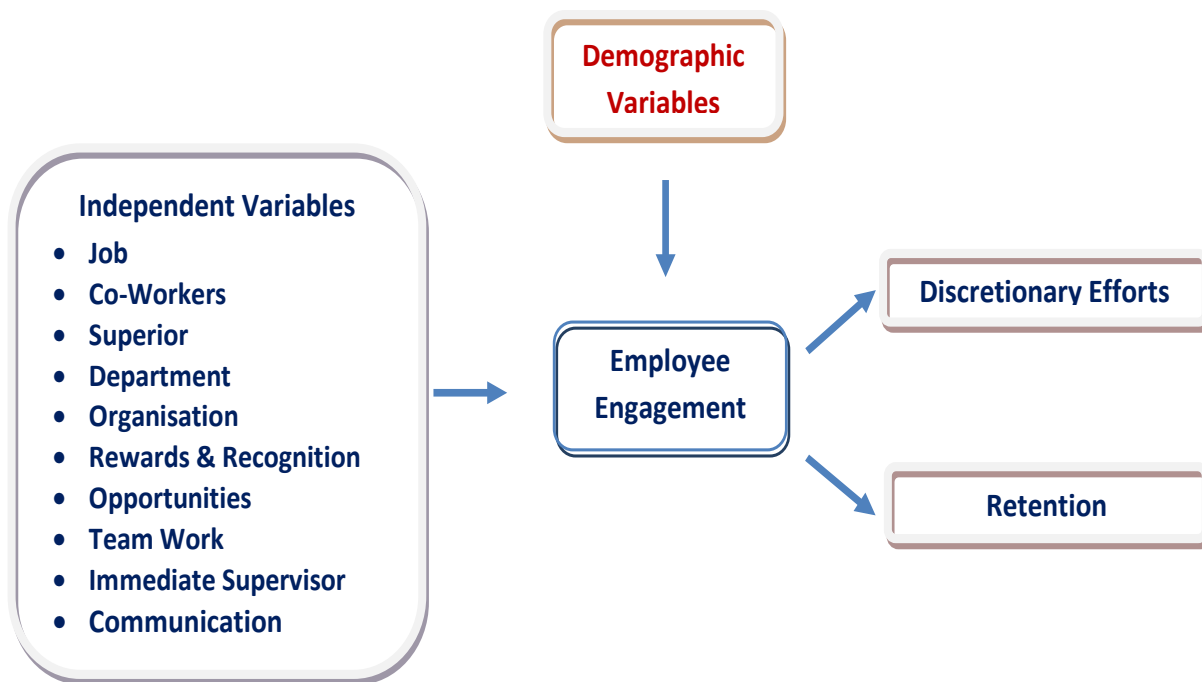


Figure 1. Conceptual model of employee engagement.

- To study the relationship between employee engagement and Discretionary effort as outcome variable.
- To understand the effect of employee engagement and discretionary effort and retention as outcome variable.

6. Research Limitations

The study is based on 124 samples from some of the selected banks of rural areas in and around Trichy. The results are generalized in nature and subject to change as per the perceptions of the respondents/employees.

7. Methodology

The data were primary in nature with sample of 124 collected from banks in the rural areas of Trichy. Statistical tools used for the analysis are ANOVA, Chi-Square and Regression. The factors such as individual factors and Gallup 12 Q variables were included for the research. The outcome of the study was intended to be Discretionary efforts and Retention.

8. Preposition

- There is no association between the demographic factors and employee engagement.
- Individual factor do not vary with the demographic characteristics of the respondents.
- There is no significant effect of individual factors on employee engagement.
- There is no relationship between employee engagement and outcome variables.

9. Data Analysis and Discussion

The Table 1 depicts that 29.03% of respondents were in the age group of 20-25 years. The table also shows that 63.7% of respondents were male and the rest of respondents were female. 37% of respondents were in the monthly income group of Rs.15,000 to Rs. 20,000.

Table 1 also depicts that 47.6% of the respondents were qualified with a PG Degree. 49.2% of respondents were having 6-10 years of experience. 58.9% of the respondents were in the middle level of employment position.

Table 1. Demographic profile of the respondents

Sl. No.	Demographic Factors					
1.	Age (Yrs)	20-25	26-30	31-35	36-40	Above 41
		36	30	31	11	16
	%	29.03	24.1	25	8.87	12.9
2.	Gender	Male		Female		
		79		45		
	%	63.7		36.3		
3.	Monthly Income (Rs.)	15,000 –20,000	20,001 – 25,000	25,001– 30,000	31,000 above	
		46	19	41	18	
	%	37	15.3	33	14.5	
4.	Years of Experience	0-5	6-10	11-15	16-20	20 & Above
		45	61	9	6	3
	%	36.3	49.2	7.3	4.8	2.4
5.	Position	High		Middle		Low
		19		73		32
	%	15.3		58.9		25.8
6.	Qualification	UG	PG	Diploma		Others
		28	59	14		23
	%	22.6	47.6	11.3		18.5

Source: Primary Data

Table 2. Chi-square test between demographic factors and employee engagement

Sl. No.	Factors	χ^2 Value	Sig.	Decision
1.	Age	15.21	0.54	Accept
2.	Gender	6.038	0.04	Reject
3.	Income	16.654	0.011	Reject
4.	Years of experience	23.307	0.003	Reject
5.	Position	11.176	0.025	Reject
6.	Qualification	16.192	0.013	Reject

(*= Ho accepted at 5% significance level)

Table 3. Individual factors and the demographic characteristics of the respondents – one way ANOVA

Sl. No.	Demographic Factors	F	Sig.	Decision
1.	Age	6.827	0.002	Reject
2.	Gender	3.096	0.049	Reject
3.	Income	7.824	0.001	Reject
4.	Years of Experience	4.001	0.021	Reject
5.	Position	2.399	0.095	Reject
6.	Qualification	6.524	0.002	Reject

(*H0 accepted at 5% significance level)

Hypothesis (H_0): There is no association between demographic factors of respondents and the employee engagement.

From the Table 2 it was found that null hypothesis is rejected ($p < 0.05$) and it was concluded that there is association between the demographic factors viz., gender, monthly income, years of experience, position, qualification of the respondents with the employee engagement. The researcher also concluded that there is no association

between the age of the respondents and the employee engagement, since the null hypothesis is accepted ($p > 0.05$).

Hypothesis (H_0): “Independent Factor” do not vary with the demographic characteristics of the respondents.

From the Table 3, the researcher found that the Individual factor do vary with the demographic factors namely age, gender, income, years of experience, position, and qualification of the respondents at 5% significance level ($p > 0.05$).

Table 4. Unstandardized coefficients of regression model – independent factors and employee engagement

Sl. No.	Predictors	Unstandardized Coefficients		Sig.
		B	Std. Error	
	(Constant)	0.426	0.404	0.294
1.	Job	0.128	0.047	0.118
2.	Co-Workers	0.239	0.098	0.017*
3.	Superior	0.213	0.088	0.306
4.	Department	0.093	0.069	0.017*
5.	Organisation	0.039	0.081	0.628
6.	Rewards and Recognition	0.137	0.065	0.048*
7.	Opportunities	0.087	0.089	0.031*
8.	Team Work	0.315	0.094	0.000*
9.	Immediate Supervisor	0.354	0.090	0.000*
10.	Communication	0.335	0.089	0.297
R = 0.729 R ² = 0.532				

* = significance at 5%level

* (If the sig. of p is less than 0.05, and it indicates that the concerned factor is significant in the model)

Table 5. Chi-square test between employee engagement and outcomes -- (discretionary efforts and retention)

Sl. No.	Factors	χ^2 Value	Sig.	Decision
1.	Discretionary Efforts	16.02	0.03	Reject
2.	Retention	15.04	0.01	Reject

(* = Ho accepted at 5% significance level)

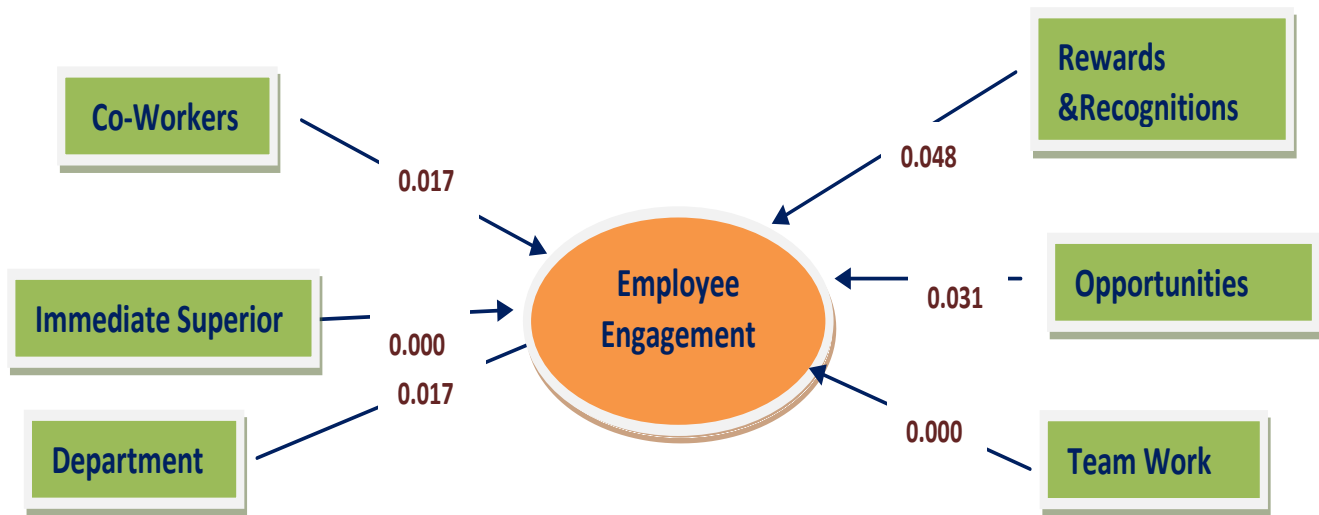


Figure 2. Regression model - individual factors and employee engagement.

Hypothesis (H_0): There is no significant effect of independent factors on employee engagement

The Table 4 shows that the predictor variables viz., Co-Workers, Department, Rewards and recognition, Opportunities, Team work and Immediate Supervisor ($p < 0.05$) are statistically significant factors towards employee engagement. The regression results also show that the variables such as Job, Superior, Organization and Communication are not statistically significant ($p > 0.05$), since the p value is greater than 0.05. The table also

depicted the R and R^2 values of the model. The R value represents the simple correlation and is 0.729, which indicated a high degree of correlation between the individual factors and employee engagement. The R^2 value indicated that 53.2% (0.532) of variance in dependent variable “employee engagement”, is explained by the independent variables.

The significant individual factors with predictors’ values towards employee engagement are shown in the Figure 2

Table 6. Unstandardized coefficients of regression model – employee engagement and discretionary efforts

Sl. No.	Predictors	Unstandardized Coefficients		Sig.
		B	Std. Error	
	(Constant)	1.970	0.432	0.000
1.	Discretionary Effort	0.571	0.112	0.000*
R = 0.743 $R^2 = 0.552$				

Table 7. Unstandardized coefficients of regression model – employee engagement and retention

Sl. No.	Predictors	Unstandardized Coefficients		Sig.
		B	Std. Error	
	(Constant)	2.908	0.253	0.000
1.	Retention	0.376	0.076	0.000*
R = 0.773 R ² = 0.597				

Hypothesis (H_0): There is no significant relationship between the employee engagement and career satisfaction as outcome factor.

The Table 5 shows that significance of the chi-square values are less than 0.05, hence the null hypothesis is rejected and it is inferred that there is a significant relationship between employee engagement and outcomes - discretionary efforts and retention.

Hypothesis (H_0): There is no significant effect of employee engagement on Discretionary Efforts

The Table 6 shows that the R value which represents the simple correlation and is 0.743 which indicated a high degree of correlation between the individual factors and employee engagement. The R² value indicated that 55.2% (0.552) of variance in dependent variable “Discretionary Effort” is explained by the independent variable viz., employee engagement.

From the Table 6, it can be inferred that there is ($p < 0.05$) statistical significant effect of employee engagement on Discretionary Effort.

Hypothesis (H_0): There is no significant effect of employee engagement on retention

The Table 7 shows that the R value which represents the simple correlation and is 0.773 which indicated a high degree of correlation between the individual factors and employee engagement. The R² value indicated that 59.7% (0.597) of variance in dependent variable “Retention” is explained by the independent variable viz., employee engagement. From the Table 7, it can be inferred that

there is ($p < 0.05$) statistical significant effect of employee engagement on retention.

10. Research Findings

Researchers found that 29.03% of respondents were in the age group of 20-25 years. The table also shows that 63.7% of respondents were male and the rest of respondents were female 37% of respondents were in the monthly income group of Rs. 15,000 to Rs. 20,000. Analysis also depicts that 47.6% of the respondents were qualified with a PG Degree. 49.2% of respondents were having 6-10 years of experience. 58.9% of the respondents were in the middle level of employment position. It was found that null hypothesis is rejected ($p < 0.05$) and it was concluded that there is association between the demographic factors viz., gender, monthly income, years of experience, position, qualification of the respondents with the employee engagement. The researcher also concluded that there is no association between the age of the respondents and the employee engagement, since the null hypothesis is accepted ($p > 0.05$).

The researcher also found that the Individual factor do vary with the demographic factors namely age, gender, income, years of experience, position, and qualification of the respondents at 5% significance level ($p > 0.05$). The analysis shows that the predictor variables viz., Co-Workers, Department, Rewards and recognition, Opportunities, Team work and Immediate Supervisor

($p < 0.05$) are statistically significant factors towards employee engagement. The regression results also show that the variables such as Job, Superior, Organization and Communication are not statistically significant ($p > 0.05$), since the p value is greater than 0.05. The table also depicted the R and R^2 values of the model. The R value represents the simple correlation and is 0.729, which indicated a high degree of correlation between the individual factors and employee engagement. The R^2 value indicated that 53.2% (0.532) of variance in dependent variable “employee engagement”, is explained by the independent variables.

From the researcher’s analysis, it was found that significance of the chi-square values are less than 0.05, hence the null hypothesis is rejected and it is inferred that there is a significant relationship between employee engagement and outcomes- discretionary efforts and retention. The regression result shows that the R value which represents the simple correlation and is 0.743 which indicated a high degree of correlation between the individual factors and employee engagement. The R^2 value indicated that 55.2% (0.552) of variance in dependent variable “Discretionary Effort” is explained by the independent variable viz., employee engagement. Hence there is ($p < 0.05$) statistical significant effect of employee engagement on Discretionary Effort which is one of the outcomes of the study.

The analysis of the researchers proved that the R value which represents the simple correlation and is 0.773 which indicated a high degree of correlation between the individual factors and employee engagement. The R^2 value indicated that 59.7% (0.597) of variance in dependent variable “Retention” is explained by the independent variable viz., employee engagement. Henceforth, there is ($p < 0.05$) statistical significant effect of employee engagement on retention.

11. Suggestions

In accordance with the results of the regression analysis, the individual factors like co-workers, department, rewards and recognition, opportunities, team work and immediate supervisor influence the engagement of the employees in the organization. Hence the researchers suggest that it would be great if the organization implements

certain strategy that triggers the above factors further. As per the study of the researchers, those factors strongly influence the outcomes of the study viz., Discretionary efforts and retention.

12. Conclusion

“Throw yourself into some work you believe in with all your heart, live for it, die for it, and you will find happiness that you had thought that could never be yours!”

Dale Carnegie

Satisfaction of the employees results in the experience of the customers. Employees are the backbone of every organization and they are also considered to be the real assets. Employee Engagement is the beautiful topic in Human Resource that excellently describes the bonding between the organization and the employees.

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