Inspira-Journal of Commerce, Economics & Computer Science (JCECS)
ISSN : 2395-7069 (Print), General Impact Factor : 2.0546, Volume 03, No. 03, July-Sept., 2017, pp. 125-128

EXPLORING ANTECEDENTS AND OUTCOMES OF EMPLOYEE ENGAGEMENT IN INDIAN BANKING SECTOR

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ABSTRACT

Employee engagement is considered as an imperative practice that is frequently used nowadays in business world, mainly in service sector. Many companies and consulting organization think employee engagement as alike to other important work-related constructs like job satisfaction, job involvement, work commitment and citizenship behavior. Present research study the relationship between job behavior and level of engagement in the employees in banking sector.

***KEYWORDS**: Employee Engagement, Service Sector, Job Satisfaction, Job Involvement, Job Behavior.*

Introduction

Employee engagement has emerged as a conventional concept in current years. It is one of the most chief priorities of HR practitioners and senior managers today in the business world (Bhatla, 2011). Employee engagement has generated huge attention amid in HR practitioners, business entrepreneurs and academician in the globe. Human resources are important assets of every organization. The achievement or malfunction of the organizations is largely reliant upon employees working in it (Khan, 2013). In this era of globalization and industrialization, where there is large scale competition in the market, it is necessary for the organization to have engaged workforce for the survival and even performance of the organization. Employee engagement is considered as an imperative practice that is frequently used nowadays in business world, mainly in service sector.

'Employee engagement' was initially used by Gallup Consulting Firm. Later, it has been used by academic world. Kahn (1990) has been the first academician to use the term employee engagement. He explained the employee engagement as the devotion and participation of the employees towards their organization. Many companies and consulting organization think employee engagement as alike to other important work-related constructs like job satisfaction, job involvement, work commitment and citizenship behaviour (Kumar & Swetha, 2011). Engaging the employees will keep them motivated and skilled in their works. If the organization does not use those skills regularly, they will be diminished.

Therefore, to develop engagement among the employees, HR manager be supposed to create positive relationship among the employees and clear, honest and reliable announcement within the company. Chanania (2012) emphasized that employee engagement is top priority for every organization's human resource manager's agenda. HR managers are constantly developing innovative and effective ways to engage the employees in a better way. There are various factors which influence employee engagement. All these issues are frequent to organizations and create emotion of value and involvement among the employees. But the constituents for the valued feeling and involved and the strength of each feature are possible to differ from organization to organization.

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Job satisfaction is most influencing issue in employee engagement. If an employee is not satisfied with his job, he will never be engaged. Therefore it become very vital for a company to look that the job for which the employee has been recruited matches with his career goals. If the job is according to the interest of the employees then he/she would ultimately feel satisfied with his/her job and will be engaged towards their work in achieving the organizational goals and objectives (Swathi, 2013). Employee engagement has attracted great attention from the practitioner's community (Macey et al., 2008) as well because of the linkage with extensive range of business and individual outcomes (Stroud, 2009). There are also a variety of business results of employee engagement indicated by consulting firms, i.e. sales and revenue growth. Researchers also linked employee engagement with retention, customer satisfaction, and loyalty (Bates, 2004; Coffman, 2000; Coffman, Gonzalez-Molina & Gopal, 2002). Employee engagement research is still in its developing stage; in the whole concept it is only the working definitions that have been offered and simultaneously verified for their validity; the antecedents and consequences identified so far, are also very limited.

Employee Engagement Models

Kahn's (1990) and Maslach et al.'s (2001) initially presents models that indicate the psychological antecedents that are required for engagement, even these models does not fully explain why individuals respond to situation with changeable degrees of engagement. A stronger theoretical basis for illumination employee engagement can be establish in social exchange theory (SET). SET explain the engagement as the obligations that are emerged through a series of connections between parties who are in a situation of mutual dependence. A basic principle of SET is that associations grow over time into credulous, loyal, and shared commitments as long as the parties bear certain "regulations" of exchange (Cropanzano and Mictchell, 2005).

Rules of exchange usually involve reciprocity or repayment rules such that the actions of one party lead to a response or actions by the other party. When employees receive economic and emotional resources from their organization, they believe grateful to respond and pay back the organization (Cropanzano and Mitchell, 2005). This is in line with Robinson et al.'s (2004) depiction of employee engagement. They explained this as a two-way relationship between the employer and employee.

One way for persons to return to its organization is by their level of engagement and commitment. That is, employees select to engage themselves to changeable degrees. Bringing more concentration towards their roles and devoting greater amounts of cognitive, emotional, and physical resources is the way employees respond to an organization's actions. It is more difficult for employees to vary their levels of job performance given that performance is often evaluated and used as the basis for reimbursement and other management decisions. Thus, employees are more probable to replace their engagement for capital and benefits provided by company. In summary, SET provides a theoretical groundwork to explain why worker select to become engaged in their work.

Kahn's (1990) and Maslach et al.'s (2001) models can be considered for study of economic and socio-emotional exchange. Whenever workers get these resources from their company they feel gratified and tries to repay to the company with higher levels of engagement. Kahn's (1990) define that employees feel gratified to bring themselves more deeply into their role performances as they receive resources from their organization. When companies fail to give these resources, employees are more expected to withdraw and disengage from their work. Therefore, the amount of cognitive, emotional, and physical resources that an employee is ready to devote in their presentation of one's work roles is dependent on the economic and socio-emotional environment received from the organization.

Antecedents of Employee Engagement

Job Profile: Kahn (1990, 1992) commented that the psychological meaningfulness can be attained from task distinctiveness that provide challenging work, variety, allow the use of different skills, personal discretion, and the opportunity to make important contributions. This is based on Hackman and Oldham's (1980) job characteristics model and in particular, the five core job uniqueness (i.e. skill diversity, task uniqueness, task importance, independence, and feedback).

Recognition: Kahn (1990) explored that people differ in their engagement, and this is dependent on their perceptions of the benefits from a work or role. Furthermore, wisdom of ROI (return on investments) will enter from external rewards and credit in addition to significance of work. Maslach et al. (2001) have also recommended that while a lack of rewards may lead to exhaustion. Hence, an appropriate gratitude and return is important for employee engagement.

Supervisor support: Kahn (1990) found that helpful and naive interpersonal relationships as well as encouraging management support psychological safety. Organizational members felt safe within the organization. These attributes are characterized as openness and supportiveness of the work environment. Supportive work culture allows employees to test and try new things and even fail without fear (Kahn, 1990).

Outcome of Employee Engagement

Employee engagement brings many positive consequences for the organizations and the employees. There is an acceptance that employee engagement has connection with industry outcomes (Harter et al., 2002). There are innumerable grounds to consider that engagement is related to work results. Kahn (1992) suggested that engagement cause both individual-level outcomes (i.e. employee's experiences of doing work and quality of work), and organizational-level outcomes (i.e. productivity and growth of organizations).

Furthermore, Maslach et al. (2001) treats engagement as a mediating factor for the relationship between the work situation and work diverse outcomes and like exhaustion, with increased departure, lower output, low work related satisfaction, and lower organizational commitment. There are numerous grounds to believe that engagement to work related outputs. For starters, engagement has been explained as a satisfying, optimistic job-related experience and state of mind (Schaufeli and Bakker, 2004; Sonnentag, 2003) and has been found to be associated with good health and constructive work outcomes (Sonnentag, 2003).

These positive experiences and emotions are likely to result in positive work outcomes. Schaufeli and Bakker (2004) commented that engaged employees will have higher level of attachment to their company and a lower tendency to leave the job. In addition, there is some experiential study that has reported associations between engagement and work outcomes. For example, employee engagement has created and positive relation to organizational commitment and negatively related to intention to quit, and found also be connected to job performance (Schaufeli and Bakker, 2004; Sonnentag, 2003). Based on above literature review and discussion from experts and banking professionals on antecedents and outcomes of employee engagement, following model has been formulated. Figure: Model to study employee engagement in banking sector.

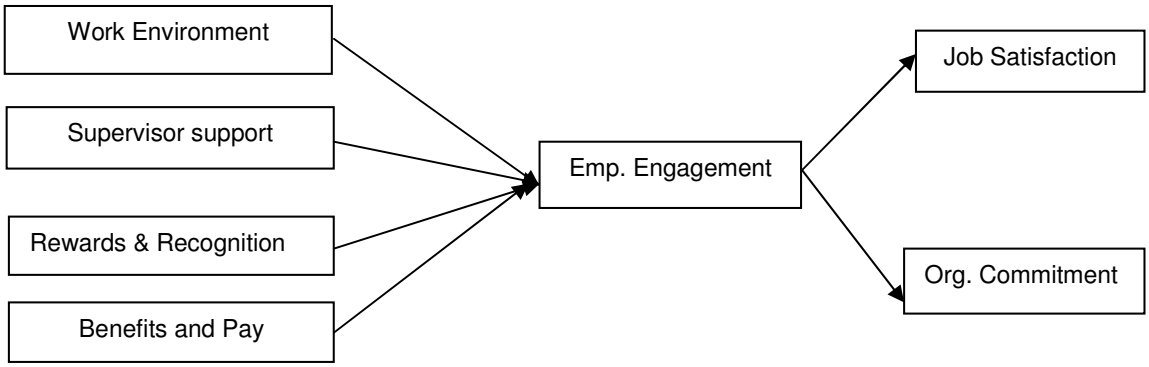

Figure: Model to Study Employee Engagement in Banking Sector.

Conclusion

In organizations, employee and management are in a symbiotic relationship mediated by good employee engagement practices. Therefore, employee engagement has turn into catchphrase for business houses and emerged as a new research interest for academicians and practitioners, across the globe. Inspired from the above mentioned positive engagement consequences, many corporate leaders have started volunteering the employee engagement programs as this lead to staff performance, reduced staff turnover, improvement in the well-being of employees.

Hence, to become a socially responsible corporate citizen, boosting employee engagement is becoming a part of the ongoing evolution and a sole focus of the organizations. Employees that are engaged are more possible to stay with their organization, they perform better than their colleagues, and they act as advocates of their organization.

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