

## IMPACT OF EMPLOYEE ENGAGEMENT ON EMPLOYEE'S SATISFACTION IN BANKING SECTOR

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### ABSTRACT

*Employee engagement had gained much popularity in recent years. Though there is increasing contributions of little empirical research on the concept of employee engagement yet, there is a room for more rigorous research. This paper contributes to employee engagement literature as more tractable recent empirical research for future research. Employee Engagement is a measurement of an employee's emotional commitment to an organization; it takes into account the amount of discretionary effort an employee expends on behalf of the organization and the one who is deeply involved and invested in his work. This research work is an attempt to understand the level of employee engagement in banking sector in Ahmedabad city and their satisfaction toward work place. For this purpose Researchers collected data from banking employees and conducted descriptive research only.*

**KEYWORDS:** *Employee Engagement, Employee Satisfaction, Banking Sector.*

### Introduction

As per the Reserve Bank of India (RBI), India's banking sector is sufficiently capitalized and well-regulated. The financial and economic conditions in the country are far superior to any other country in the world. Credit, market and liquidity risk studies suggest that Indian banks are generally resilient and have withstood the global downturn well. Indian banking industry has recently witnessed the roll out of innovative banking models like payments and small finance banks. RBI's new measures may go a long way in helping the restructuring of the domestic banking industry. The Indian banking system consists of 27 public sector banks, 26 private sector banks, 46 foreign banks, 56 regional rural banks, 1,574 urban cooperative banks and 93,913 rural cooperative banks, in addition to cooperative credit institutions. Employee engagement is a workplace approach resulting in the right conditions for all members of an organization to give of their best each day, committed to their organization's goals and values, motivated to contribute to organizational success, with an enhanced sense of their own well-being.

**David Macleod Defined Employee Engagement as:** *"This is about how we create the conditions in which employees offer more of their capability and potential".*

Employee engagement is based on trust, integrity, two way commitment and communication between an organization and its members. It is an approach that increases the chances of business success, contributing to organizational and individual performance, productivity and well-being. It can be measured. It varies from poor to great. It can be nurtured and dramatically increased; it can be lost and thrown away. Research by Chartered Institute of Personnel Development (CIPD) has repeatedly demonstrated links between the way people are managed, employee attitudes and business performance. It is acknowledged and accepted that employee engagement is a multifaceted construct. Engagement is different from satisfaction as it involves the heart, hand, and mind of the employee, rather than the transactional relationship brought about by satisfaction factors. While a satisfied employee only shows that he is engaged, an engaged employee strives to give his best to make the organization better.

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Engaged Employees perform better than their less engaged counterparts because they are more involved with their work which helps them to develop better solutions, and they are socially connected with their work. The term Driver can be related to any part of a machine that communicates motion to another part. A driver of engagement is something that drives the culture of innovation and also fosters the climate of engagement in the organization. Different studies have included diverse independent variables of organization and individual significance. Moreover, the key drivers of engagement as identified in the existing studies indicate that 'one size does not fit all' to strengthen the bond with employees one must invest in the development of their employees. An individual employee's intention to stay in the job is an apt measure to gauge the feeling of the employee towards the organization. Employee Engagement is much more than being content with pay and other drivers.

Researchers conducted this study to focus light on employee engagement and their satisfaction in banking sector and to what extent it is influenced upon their behavior. For this purpose Researchers studied some old work already done in this sector and then collected data from employees of banking sector in Ahmedabad. On the basis of data analysis Researchers gave suggestions and recommendation. This is expected that this research will help to fill the gap between what the employer and employee and help to widen the use of job engagement as a tool to improve employee behavior.

### Research Methodology

- **Objective of the Study:** Researchers conducted this study with objective to know the factors that influence the behavior of an employee and to what extent job engagement has influence over an employee's behavior in Banking Sector.
- **Design and Data Collection:** Descriptive research design has been adopted by Researchers and convenient random sampling was used to collect data. Employees of banking industry were population for this research work.
- **Data Collection:** Researchers collected data from employees of various banks in Ahmedabad through structure questionnaire.
- **Limitations & Future Scope of the Study:** Every research has certain limitation which gives chance for the further research. In same way this research work also do have some limitation and these are:
  - Due to the privacy issue, respondents were hesitate to answer.
  - This research was conducted only in Ahmedabad, so there is scope for the further research in other areas.

### Literature Review

**Sidiki S.N. (2008)** conducted Exploratory Study on Employee Engagement in the Banking Sector of Pakistan and found that 29% employees are Actively Engaged and 56% employees are engaged, when it comes to being informed. Researcher believe that the company's manager has good communication skills and keeps employees fully informed and the information received is true; whereas, 11% of the employees are disengaged and 4% are actively disengaged and believe that since they are not informed about the company decisions and strategies, they cannot commit themselves to the employer and the role.

**Bhatla, (2011)** conducted research with purpose to study the Employee Engagement practices and its effect on employee and found that Organizations have to give their employees the freedom to make their work exciting and an environment having an engaged work life .With increase in responsibilities at home and a desire to excel in their careers, employees often get distracted from their work which needs to be taken care of .Employees are the assets of the organization and if they are not given a space whereby they can make a perfect blend of both work ,fun, optimum performance from them may be difficult. Research suggests that employee engagement emphasize the importance of employee communication on the success of a business.

**Alexander Preko, (2013)** studied employee Loyalty and Engagement on the Performance of Sales Executives of Commercial Banks. And after the analyzing data Researcher found that Employee loyalty and engagement play a vital role in employee performance at workplace. He further identifies that for employees to give out their best at workplace, serious engagement and loyalty activities on the part of an organization is worth given consideration by management. On the basis of result Researcher developed a conceptual framework to increase employee loyalty, engagement.

**Mishra D. (2013)** studied employee engagement in banking sector and on the basis of finding Researcher mentioned that Employee Engagement is critical to business success. The Banks have to focus on this aspect to boost their growth and get a competitive advantage. Researcher mentioned that management should understand the importance of employee engagement as there is significant relationship between employee engagement and business outcomes and performance of any business organization. Researcher suggests that highly engaged workforce will definitely make an organization more successful in terms of financial & nonfinancial parameters.

**Wachira (2013)** studied relationship between employee engagement and commitment of employee in banking sector of Ghana for this purpose Researcher collect data from Junior, middle and senior management in the organization. Based on the results from data analysis and findings of the research, Researcher conclude that allowing people to make their own decisions about work, to control their work, and to achieve their goals may help employees become more engaged in their jobs. Empowerment however, may not be effective if not aligned with proper rewards and feedback for employee commitment. Researcher also found that employee engagement has a direct relationship with employee commitment.

**Mokaya S.O. (2014)** found in research conducted on employee engagement that employee engagement in Cooperative bank was high. Researcher also found that Employee engagement is influenced by performance management, personal development and growth, workplace recreation, and remuneration package. However, among the above factors remuneration is the highest contributor of employee engagement with workplace recreation having the least influence.

**Dajani (2015)** conducted research on Employee engagement in Egypt and emphasized the importance of engaged manager or leader in inspiring and engaging the work force, in contrast to human resource management practices alone. Study also revealed that high level of Employee Engagement increases the growth of the organization and acts as an effective retention strategy. It benefits both the organization and the employees. From the data analysis and findings, Researcher found that the employees are not satisfied about various factors like demographics, working environment, job satisfaction, etc. These factors influence Employee Engagement and it means that Employee Engagement level in private banks is very much non satisfactory. So, the management can still work in increasing the present level of Employee Engagement prevailing in their organization.

**Shmailan (2016)** Researcher examined the relationship between employee satisfaction and performance. Researcher found that employees who are not satisfied do not perform well and become a barrier to success. The Researcher suggests that by focusing on improving satisfaction and performance, organizations can be more successful. It is in the best interest for them to determine ways to improve employee satisfaction. Another finding is that unengaged employees demonstrate poor customer service, lack of commitment and poor performance. Employee's participation is lack luster, they do not excel and do not care about the success of the organization. Engaged employees produce better financial results, are proud of their organization and demonstrate enthusiasm. It makes financial and motivational sense to foster employee engagement. Employee engagement is a process and cannot be created in a day.

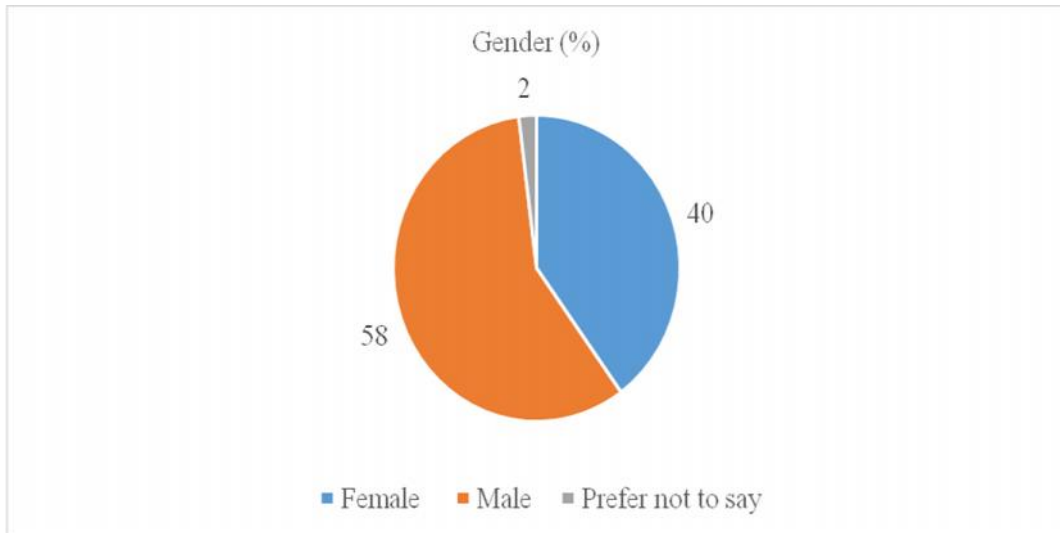
**Anand V.V. (2016)** mentioned in research on employee engagement that, in current working environment Employee Engagement is important factor for all organization to sustain. The Researchers found the factors such as Job, Rewards and Recognition, Opportunities, Team work, immediate supervisor and Communication positively influence the Employee Engagement. The Employee Engagement is the key factor that leads to success of the organization. Thus Employee Engagement is important for employee retention and loyalty.

**Yousaf H.Q. (2016)** conducted research on impact of CSR on employee engagement with a second stage moderated mediation approach. Researcher concludes that internal corporate social responsibility is the essential issue in all the domestic as well multinational organizations of Pakistan. Researcher also concludes that internal CSR have significant positive impact on the employee engagement. Therefore, the proper implement and practices of corporate social responsibility improve the social status of employees within and outside of organization. These action leads to higher rate of employee engagement and in return firms achieved their goals.

**Devi (2017)** analysis the impact of employee engagement on organizational performance and Researcher mention that employee engagement is a positive attitude held by the employees towards the organization and its values. It is rapidly gaining popularity and importance in the workplace and impacts organizations in many ways. Researcher observed that organizations' with higher levels of employee

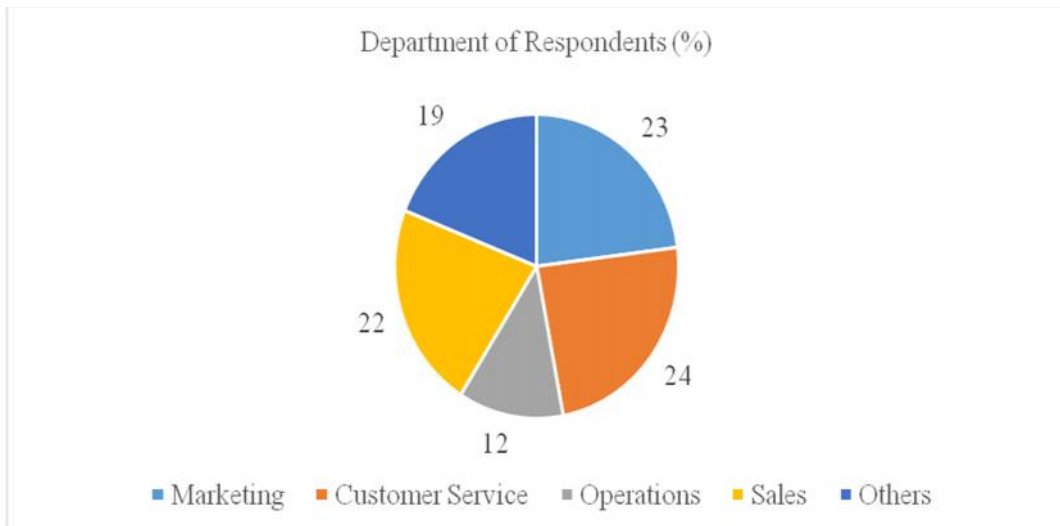
engagement outperform their competitors in terms of profitability and mentioned that engaged employees can help the organization achieve its mission, execute its strategy and generate important business results. As per the researcher, employees give their companies crucial competitive advantages including higher productivity, customer satisfaction and lower employee turnover. Therefore Researcher suggests to organizations that employee engagement should be a continuous process of learning, improvement, measurement and action.

#### Data Analysis



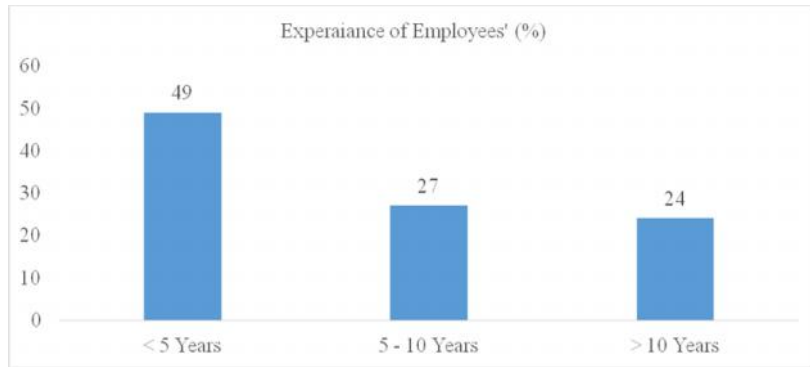
**Chart 1: Gender of respondents'**

Chart 1 is about the gender of respondents, where 58% of respondents are male and 40% are female. 2% respondents did not disclose their gender identity.



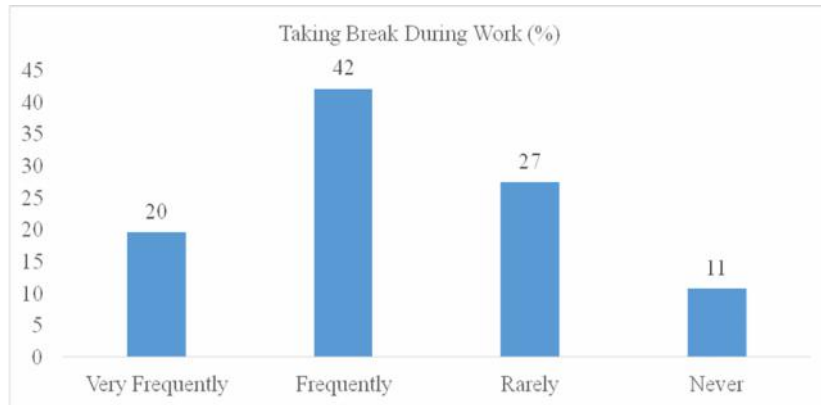
**Chart 2: Department of respondents'**

Chart 2 explains about different department of respondents. 22% respondents are from Marketing department, 12% are from Operations department, 24% are from Customer Service, 23% are from sales and remaining 19% are from other departments.



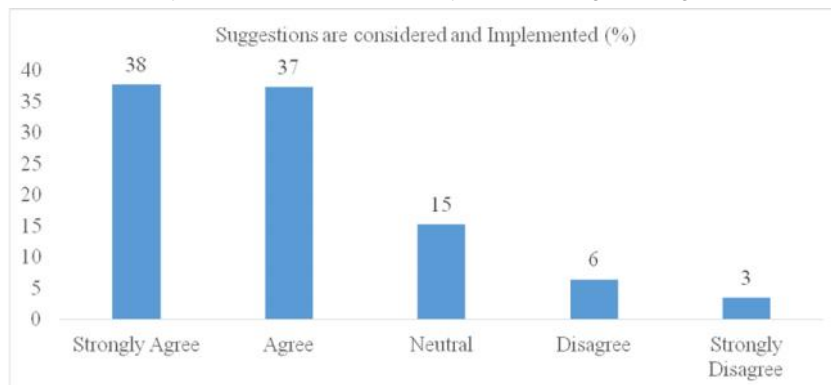
**Chart 3: Work Experaiance in Banking Sector**

Above chart explain that 49% of respondents are working in the banking sector for less than 5 years, 27% are working between 5-10 years, whereas 24% are working in banking sector for more than 10 years.



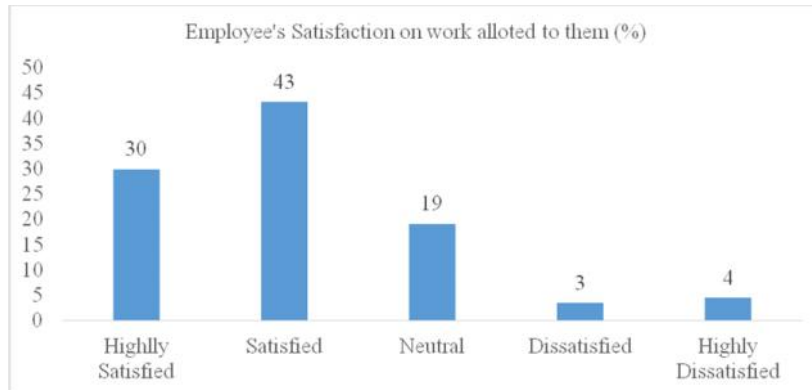
**Chart 4: Taking Break During Work**

Above chart is reflecting information about the break taken by employees during working Hrs. It reflect that 42 % of respondents took frequently break while 20% took break very. Whereas 27% of respondents take break rarely while 11% never took any break during working time.



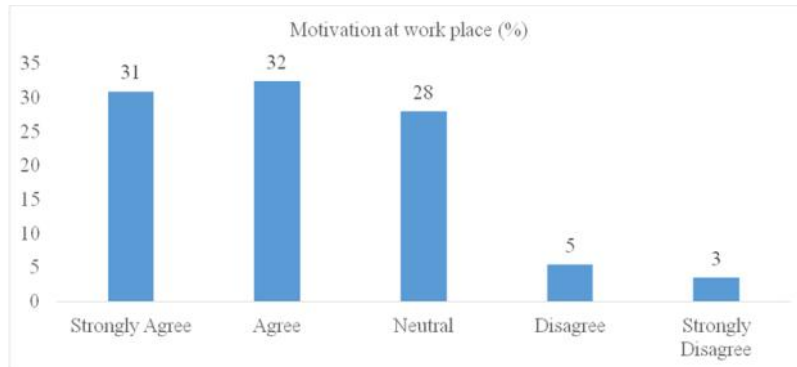
**Chart 5: Suggestions are Considered and Implemented**

Chart 5 is explaining the consent of employees toward suggestion given by them to organization and implementation of those suggestions. More than 1/3 of respondents are agree and strongly agree with that their suggestion are being considered and implemented by organization, while 15% of respondents are neutral on this statement, while in together 9% of employees are not agree on this statement.



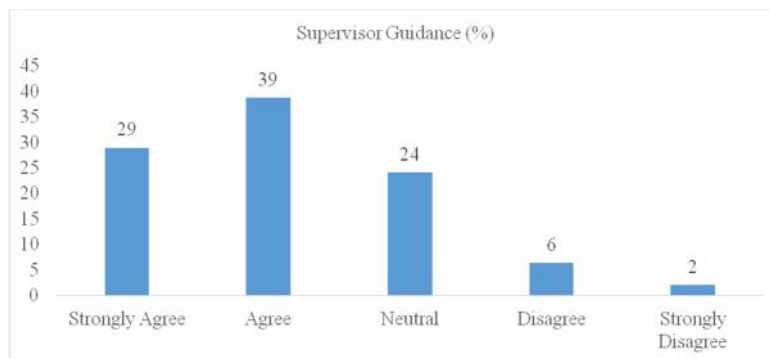
**Chart 6: Employee's Satisfaction on Work Alloted to them**

Chart 6 is showing satisfaction of employee's toward the work allotted to them. Around 1/3 of employees are highly satisfied with work allotted to them, while near about 1/2 of the employees are satisfied with work allotment. 19% are neutral on this statement and all together 7% are dissatisfied with work allotment in Banking Industry.



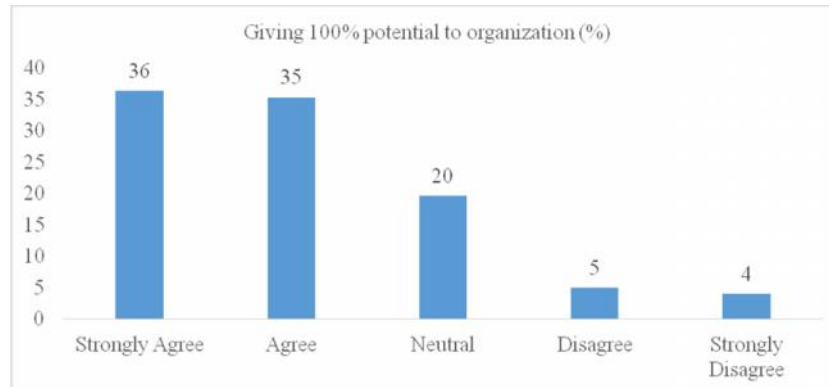
**Chart 7: Employee's Views on Motivation at Workplace**

Chart 7 is reflecting the employees view on motivation at workplace, where 31% of respondents are strongly agree with this, 32% of respondents are agree on this while 28% are neutral. Whereas 8% are disagree.



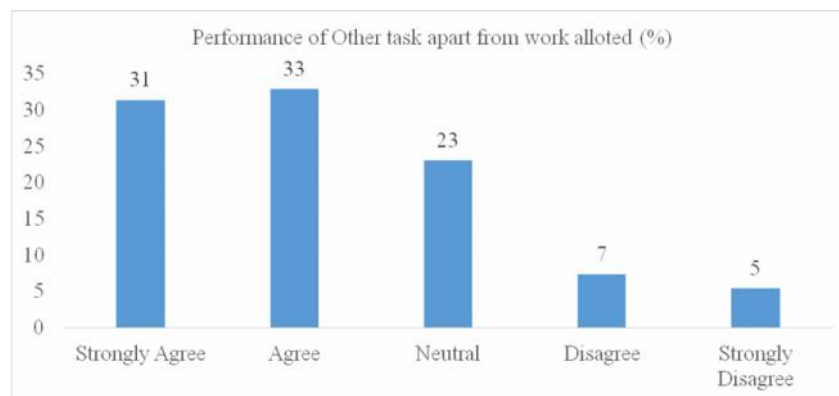
**Chart 8: Supervisor Guidance**

Chart 8 is reflecting data about the respondents view toward the supervisor guidance. 39% of respondents are agree that they get proper guidance from supervisor, while 29% are strongly agree with this. 24% are neutral with this, while 8% are not agree with this statement.



**Chart 9: Giving 100% Potential to Organization**

Chart 9 is reflecting the views of respondents on working with full potential within organizations. Here 36% of respondents are strongly agree, while 35% are agree, 20% respondents remain neutral toward this statement. 8% respondents are disagree with statement that they can give 100% potential to organization.



**Chart 10: Performance of Other Task Apart from Work Allotted**

Chart 10 is reflecting the consent of respondents toward the performing of other task apart from work allotted. Around 1/3 of respondents are strongly agree with this and 1/3 of respondents are agree with this, while around 1/4 of respondents are neutral and 12% are disagree.

#### Findings

- Researcher found that, majority of employees (42%) prefers to take break frequently, while 20% prefer to take break very frequently. Research also found that 27% of employee takes break from work rarely while 11% do not take any break except biological.
- Researcher also found that respondents are satisfied with their supervisor guidance. Which shows they have a free and transparent relationship with their supervisors?
- It is also found that employees are engaged in their respective work and satisfied with the working conditions. At the same time it was found that the need to assign various other tasks to employees is also important to break the monotony.
- On the utilization of time, Researcher found that employees are able to utilize their maximum working capacity and are satisfied with the work they are currently being provided in their respective organization.
- Employees were satisfied with the way they are being treated at their organization as they feel that their suggestions and opinions are taken seriously in the organization which gives a sense of boost in self-esteem.

- Overall, it was founds seen that majority of the employees working in the banking sector are satisfied with their working conditions, work done by them, work assigned to them, relationship with their supervisors and the overall environment at their work place.
- Due to the satisfaction at every aspect, the employees are motivated to give their best to the organization and are motivated to work hard. This shows that the employee engagement level is high in the banking sector which is an obvious factor which reflects in their behavior positively.

### Recommendations

- Most of the employees satisfied with their work, however there are set of employees who prefer to add new assignments in their task to outperform. Researcher recommend to the banks to do job rotation at regular interval. It will help employees to take break from their regular work and allow learning new task which will help them to learn new work as well as better employees.
- Researcher also suggest to the banks that some fun & family activities such as various management games and family tour which will help the employees to bond with each other in a better way.

### Conclusion

Researchers started this research with objective to focus on employee engagement and to know the satisfaction of banking sector employees, and found that employees are satisfied with the way they are being treated in bank and allowed to work. As noticed in the survey, the banking atmosphere is already doing really well in terms of employee engagement. The activities which lead to this satisfaction amongst the employees must be kept up to ensure the employees have the same work experience throughout.

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