

The Impact of Employee Engagement on Job Satisfaction and Employee Encouragement— A Case Study of Private Banking Sector in Balasore Town

Tulasi Bej¹ and Debadutta Das²

^{1,2}PG. Dept. of Business Management, Fakir Mohan University, Vyasa Vihar, Balasore
E-mail: ¹tulasibej@gmail.com, ²debadutta@yahoo.com

Abstract: *During the recent years, employee engagement became a very smart decision-making construct. An engaged employee is an employee who is totally involved and invested in their work. The factors that make employee engagement, however, are different than those that make satisfaction. This engagement gap grew more in job satisfaction and employee encouragement in private banking sector in Balasore town. This is an exploratory study that aims to identify the key drivers of employee engagement in private banking sector. It also studies the impact of employee engagement on job satisfaction and employee encouragement in organization based on social trade premise. A survey questionnaire was developed and validated. ANOVA analysis was used to predict and explain the proposed impact of employee engagement on job satisfaction and employee encouragement. The study was conducted on 120 bank employees from five private banks operating in Balasore town with a response rate of about 41% (50 employees). One way ANOVA were used to calculate and estimate the relationships. ANOVA results indicated that job satisfaction and encouragement of employee were the most significant drivers of employee engagement. This study explained some suggestions to enhance the impact of employee engagement and findings of the study suggest that employee engagement is impossible to avoid in any sector. To the superlative of the author's awareness, such a study is the first of its kind undertaken in the private Banking sector in Balasore town.*

Keywords: *employee engagement, job satisfaction, commitment, private banking sector, organizational employee encouragement.*

1. INTRODUCTION:

Employee Engagement has become a concept that has captured the attention of HR practitioners around the sphere. Worldwide managers agree that the modern business demands higher productivity and more efficiency, than in previous times. Employee Engagement (EE) as a business buzz word has generated research, since the new economy service industries like Private banking sector have taken off the origins of engagement are as old as mankind itself. Employee engagement is a resource of the relationship between an

organization and its employees. An "engaged employee" is defined as one who is fully engaged or involved by and passionate about their work and so takes positive action to further the organization's reputation and wellbeing. An organization with "high" employee engagement might therefore be expected to outperform those with "low" employee engagement, all else being equal. It stands in an unspecified relationship to earlier construct such as proper and job satisfaction. In spite of intellectual critiques, employee-engagement practices are well established in the management of human resources and of internal communication. Employee commitment and job satisfaction both are related with engagement. It is a positive attitude to the job. Employee Engagement is of eminent importance to know about employees' emotional attachment, involvement and commitment towards job and organization. It helps us to understand how employees work with passion and feel a philosophical connection to them in their working field. It will help to focus on developing a better understanding of variables such as quality of work relationships and values of the organization interact and their link to important work outcome. The various challenges faced by HR in creating positively engaged employees. Employee engagement is a route to business success. Commitment is a willingness to devote time and energy to fulfill job responsibilities and usually includes the investment of both intellectual and emotional energy in the workplace. Employee engagement is the emotional commitment, employees feel towards their organization and the actions they take to ensure the organization's success.

2. REVIEW OF LITERATURE:

Review of literature is a prerequisite in understanding and stating the research problem. The impact on Job satisfaction and employee encouragement in organization on employee engagement have been studied and reported by many

researchers. An attempt is made here to emphasize a few of the studies to support the present study.

Henryhand J.Carla (2009) conducted a research to study The Effect of Employee Recognition and Employee Engagement on Job Satisfaction and Intent to leave in the Public Sector. This study examined those issues facing public sector organizations in regards to retention. Specifically, an investigation was conducted to assess the effectiveness of employee recognition programs and employee engagement and their impact on overall job satisfaction and an employee's intent to remain with an organization. The study found that the perceptions of employee recognition and employee engagement had a significant impact on the overall job satisfaction and intent to leave the organization.

Swaminathan (2010) found in his study that employee engagement is the combination of three elements viz., job satisfaction, motivation and effectiveness. He observed that employee engagement is the ecstatic feeling that one may get by doing his job. He concluded that employee engagement is an important area that an organization should concentrate to be productive and to get effective, loyal and committed workforce

Priyanka Goel (2011) Organizations need to give employees the freedom to do their work and stimulating an environment that has a committed working life. Therefore, an organization must realize the importance of employees, more than any other variable, as they try to engage them with the highest possible level by introducing appropriate measures.

Sapna Malhotra (2014) The present research is an attempt to find the relationship between performance management system and employee engagement. Employees surveyed have emphasized the need to have efficient performance management systems, since it impacts their physical, cognitive and psychological involvement at workplace.

Sobia Ali & Yasir Aftab Farooqi (2014) conducted a research to study the Effect of Work Overload on Job Satisfaction, Effect of Job Satisfaction on Employee Engagement and Employee Performance". The purpose of this study was to identify the effect of work overload in job satisfaction and effect of job satisfaction on employee engagement and employee performance.

3. SIGNIFICANCE OF EMPLOYEE ENGAGEMENT IN THIS STUDY:

Employee engagement is believed to be a vital driver of business success in today's competitive marketplace and a deciding factor in organizational success. It has been found that engagement not only affects employee retention, commitment, productivity but it is also key link to job satisfaction and employee encouragement.

4. OBJECTIVES:

- To study on importance of employee engagement in private banking sector.
- To analysis the impact on job satisfaction scores for different age group in private banking sector.
- To study on employee encouragement scores for different experience group in private banking sector.

5. SCOPE OF THE STUDY:

The study comprises of the employees of "Private sector banks in Balasore Town" only. We can draw the implication from this study that the sample of the employees selected for study represents the group of employees in banking sector.

6. PRIVATE BANKING SECTOR IN BALASORE TOWN:

Private sector banks are in a type of financial organization that offers specialized financial advice and wealth management services to protect, grow and manage the financial wealth of the wealthy or high net-worth clients of the organization. Balasore District has a place of unique importance in the industrial map of odisha. Industries, trade and agriculture occupy a place of prominence in the economy of the district. The total numbers of employees of 120 out of response rate is 41% (50) employees. These banks are offering so many branches. In this financial institutions have been set up in this district. With such a vast network of branches the banking institutions of Balasore District has a unique role in shaping the finances of the district. The List of Private Sector Banks in Balasore town: Axis bank, HDFC Bank, ICICI Bank, IndusInd Bank, Bandhan Bank etc.

7. IMPORTANCE OF EMPLOYEE ENGAGEMENT IN PRIVATE BANKING SECTOR:

Private banking is banking, investment and other economic services provided by banks to high-net-worth individuals with high levels of income or substantial assets. When employees are engaged at work, they feel a connection with the company. They believe that the work they're doing is important and therefore work. Their Board of directors mainly consists of locally prominent personalities from trade and business circles. One of the positive points of these banks is that, they lean heavily on service and technology and as such, they are likely to attract more business in days to come with the restructuring of the industry round the corner. In the present technological and global world, the private sector banks face competition at global level. The private bank's capacity to manage employee engagement is closely related to its ability to achieve high performance levels and superior business results. With the changing of environment, human resources is the most important asset in the service organization especially in private sector banks, has to address the people's need and issues more closely.

8. RESEARCH METHODOLOGY:

A research method is simply a technique for collecting data. It can involve a specific instrument such self prepared questionnaire, a structured interview schedule or participant observation.

8.1 Sample Design:

- a) **Population:** Permanent employees working with Private sector banks located in Balasore town.
- b) **Sampling Frame:** The private banks are Axis bank; HDFC Bank, ICICI Bank, IndusInd Bank, Bandhan Banks are served as sampling frame for the study.
- c) **Sample size:** Sample size for the study was calculated using the ANOVA method .A total of 50 responses were collected, out of which 120 employees.
- d) **Sampling Technique:** A random sampling used for the study. In the stage 5 private banks were randomly selected from the sampling frame, where the employee strength was 120. From there 50 respondents were randomly chosen .There representation of the five categories of employees i.e. job satisfaction in different age group (20-25 years, 26-30 years, 31-35 years, 36-40 years or above) and employee encouragement in different experience people (5-10 years,10-15 years,15-20 years, 20-25 years and above).
- e) **Data collection:** The data has been collected from both primary and secondary.
 - **Primary Data:** For employee engagement practices, information were collected from employees of private sector banks through specific instrument such self prepared questionnaire, a structured interview schedule or participant observation. Data regarding employee engagement parameters was collected through 24 item questionnaire.
 - **Secondary Data:** Additional data related to employee engagement practices was collected from company websites, journals and other publications.
 - **Scale to measure employee engagement:** To develop a scale for measurement of employee engagement, the researcher studied the popular definitions of the concept given by various renowned researchers and relevant organizations. The questionnaire contained employee background as well as engagement process, employee perception and reaction of engagement programs. To measure the impact of employee engagement on job satisfaction and employee encouragement in private banking sector, the researcher used the summative rating scale known as Likert scale. Numbers of the questions were having 5 point rating scale from 1 to 5 in which 1 meant strongly disagree where 5 meant strongly agree although it was not mentioned in figures. The multiple response questions were also utilized to find out the viability of the questionnaire.

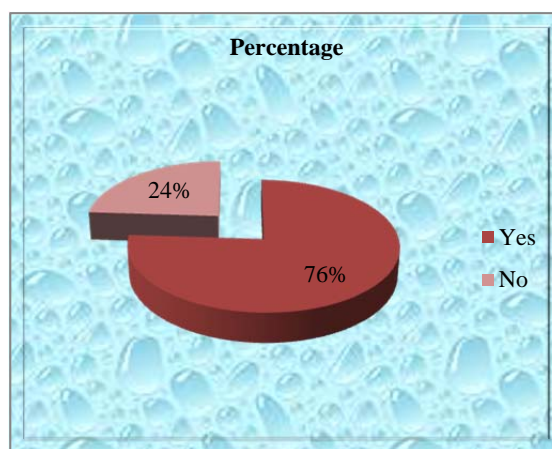
F) Hypotheses of the study:

- H_o – There is no difference on job satisfaction scores for different age group in private banking sector.
- H_{a1} - There is difference on job satisfaction scores for different age group in private banking sector.
- H_o – There is no difference on employee encouragement scores for different experience group in private banking sector.
- H_{a2} - There is difference on employee encouragement in organization scores for different experience group in private banking sector.

G) Statistical Tools: The statistical tools consist of measure of percentage analysis, figures, f-test and analysis of variance. The researcher used these tools for analyze the result and interpretation.

9. ANALYSIS, DISCUSSION AND RESULTS:

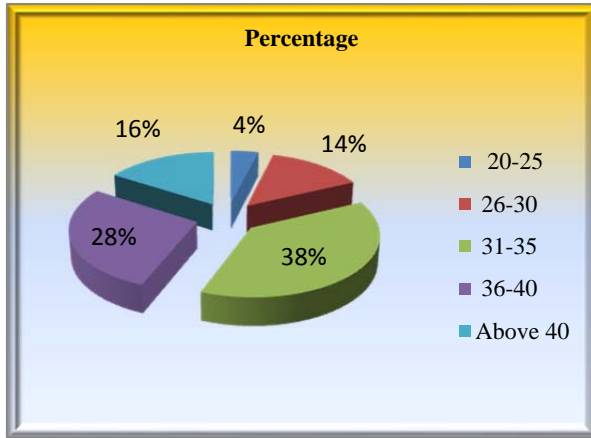
In this study, an attempt has been made to analyze discussion and draw the conclusions by taking the respondents' views of sample. For better analysis and discussion of the data and testing of set hypothesis, appropriate tools are also used to derive the meaningful conclusion.



Source: Primary Data

Fig. 1: Views of the Respondents on Current job

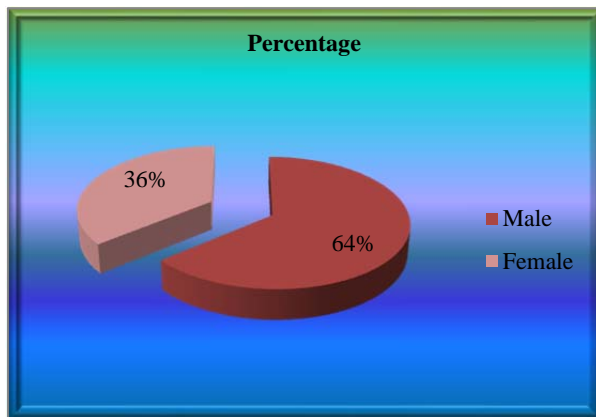
Interpretation: Fig:1 It is clearly shows that, 76 percent employee are happy with their current job. 24 percent people are not happy with their current job. So maximum people are happy with their current job in “private sector banks “.



Source: Primary Data

Fig. 2: Views of the Respondents on various age group.

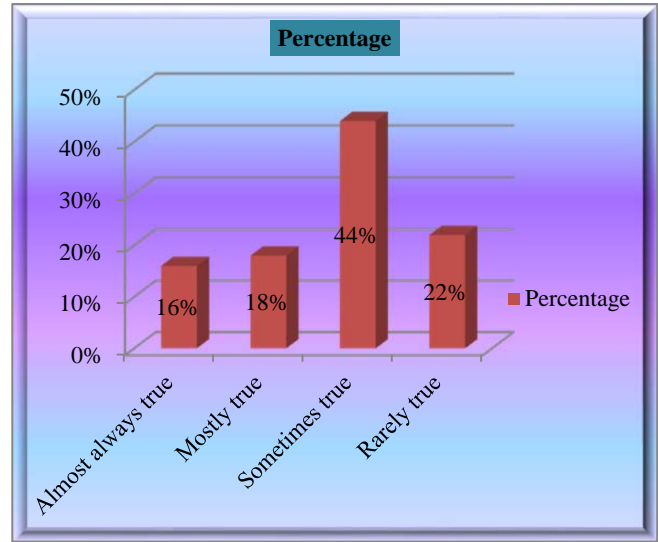
Interpretation: Fig: 2 It is clearly shows that,20-25 year age group 4 percent employees are working in private sector banks, 26-30 year age group 14 percent people are engaged in private sector banks, 31-35 year age group 38 % percent are engaged, 36-40 year age group 28 %percent employees are doing work in private sector banks. And above 40 group 16 % percent employees are engaged in private sector banks “So maximum 31-35 age group employees are engaged in” private sector banks in Balasore town”.



Source: Primary Data

Fig. 3: Views of the Respondents on gender.

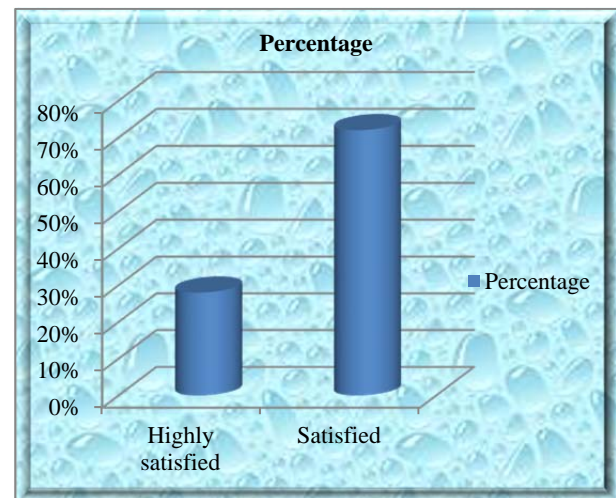
Interpretation: Fig:3 It is clearly shows that, 64% male employee are working in banks. 36% female employees are working in private sector banks. “So maximum male people are working in “private sector banks in balasore town”.



Source: Primary Data

Fig. 4: Views of the Respondents opportunities for work best.

Interpretation: Fig:4 it is clearly shows that, 16 % employee opinion are in private sector banks opportunities it is almost always true for work best. 18% employees’ opinions are there opportunities mostly true for work best. 44% people are it is sometimes true & 22% employees’ opinions are it is rarely true opportunities for work best. “So maximum male people are working in “private sector banks in Balasore town”.

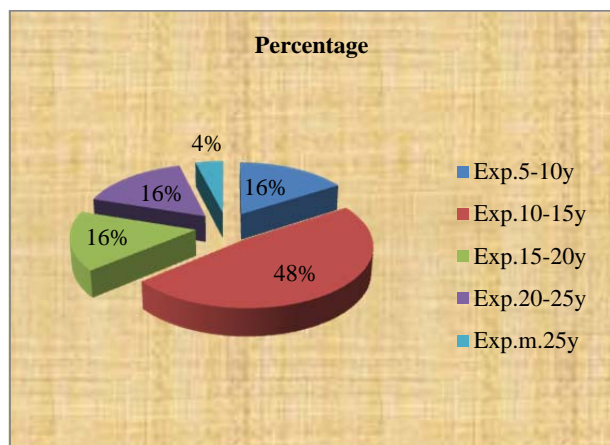


Source: Primary Data

Fig. 5: Views of the Respondents with the effort of performance

Interpretation: Fig:5 it is clearly shows that, 28 % employee are highly satisfied with effort to them and their performance by the superior and the team members. 72 % employees’ are satisfied with effort to them and their performance by the superior and the team members. “So large

numbers of people are satisfied with effort to them & their performance by the superior and the team members in private sector banks in Balasore town”.



Source: Primary Data

Fig. 6: Views of the Respondents Years of Service (Experience).

Interpretation: Fig: 6 it is clearly shows that 16 percent employees each experience group of 5-10 years,15-20years and 20-25 years are engaged in private sector banks in Balasore town, 10-15 years experience group employees are working 48%, 10-15 years, little numbers of more than 25 years experience group of employees are working in private sector banks. “So maximum 10-15 years experience group employees are working in” private sector banks”.

| Anova: Single Factor | | | | | | |
|----------------------|----------|-----|----------|----------|---------|--------|
| SUMMARY | Count | Sum | Average | Variance | | |
| Age 20-25 year | 2 | 91 | 45.5 | 0.5 | | |
| Age 26-30 year | 7 | 224 | 32 | 10.66666 | | |
| Age 31-35 year | 19 | 683 | 35.94736 | 20.05263 | | |
| Age 36-40 year | 14 | 499 | 35.64285 | 10.70879 | | |
| Age Above 40 | 8 | 291 | 36.375 | 3.696428 | | |
| ANOVA | | | | | | |
| Source of Variation | SS | Df | MS | F | P-value | F crit |
| Between Groups | 292.5833 | 4 | 73.14583 | 5.573849 | 0.0009 | 2.5787 |
| Within Groups | 459 | 4 | 647 | 85 | 88 | 39 |

| | | | | | | |
|---------------|----------|----|----------|--|--|--|
| Within Groups | 590.5366 | 45 | 13.12303 | | | |
| | 541 | | 676 | | | |
| Total | 883.12 | 49 | | | | |

Source: Primary Data

Results: One way ANOVA has been applied to find whether there is a significant difference among five age groups and job satisfaction in private sector banks; among different age groups (Group 20-25 year; Group 26-30; Group 31-35; Group 36-40; and above). The ANOVA result shows that the calculated F value is 5.57384985, which are greater than the table value of 2.578739 at 5 % level of significance. Since the calculated value is greater than the table value, so the null hypothesis is rejected. Hence it is concluded that there is significant difference among five age groups on job satisfaction in private sector banks. Regarding properly motivation by superior, performance is fairly evaluated, their performance and loyalty are related to rewards by the side of the organization, they are satisfied with their incentives, they are satisfied with their company policy, working condition for them inside organization is comfortable, organization is fulfilling their career goals and aspirations, their skills are properly utilized, they are enjoying their work more innovatively, flexibility and independency is allowed taking decision in their job.

| Anova: Single Factor | | | | | | |
|----------------------|----------|-----|----------|----------|----------|----------|
| SUMMARY | Count | Sum | Average | Variance | | |
| Exp.5-10year | 8 | 157 | 19.625 | 10.83929 | | |
| Exp.10-15year | 24 | 428 | 17.83333 | 6.927536 | | |
| Exp.15-20year | 8 | 151 | 18.875 | 6.982143 | | |
| Exp.20-25year | 8 | 146 | 18.25 | 9.071429 | | |
| Exp.m.25year | 2 | 35 | 17.5 | 4.5 | | |
| ANOVA | | | | | | |
| Source of Variation | SS | Df | MS | F | P-value | F crit |
| Between Groups | 23.13667 | 4 | 5.784167 | 0.739278 | 0.570179 | 2.578739 |
| Within Groups | 352.0833 | 45 | 7.824074 | | | |
| Total | 375.22 | 49 | | | | |

Source: Primary Data

Results: It is clear from the above table the one way ANOVA has been applied to find whether there is a significant difference among five difference experience group and encouragement of employees in private banking sector. ANOVA one-way between-groups analysis of variance is conducted to explore the various experience people on levels of encouragement of employees. Subjects were divided into five groups according to their experience groups: (Group 5-10 year; Group 10-15; Group 15-20; Group 20-25; and above). The ANOVA result shows that the calculated F value is 0.739278, which are smaller than the table value of 2.578739 at 5 % level of significance. So the null hypothesis is accepted. Hence it is concluded that all five experience groups are encouraged by organization for cares about their wellbeing, strongly considers their goals and values, more concern them, cares about their opinions, supervisor encourages them to develop new skills.

10. SUGGESTIONS:

The private sector banks supervision has to give significance to working environment, proper infrastructure and care and well incentives for employee improvement, well being, progress and get better productivity, which through job satisfaction can be improved. Since majority of the employees are in the 20-25 years, 26-30 years and above 40 age group, they may be facing problems of career growth. In this position, little types of workshop, training programmes and regular communication with superior and subordinates to develop the skill level, innovative work methods can help these employees feel encouraged to carry on, in their job in different experience group.

11. CONCLUSION:

The present study Employee engagement is a positive attitude held by the employees towards the private banks and its working culture. It revealed that factors such as satisfied, opportunities, best job, infrastructure, effort, performance, properly motivating, career goals and aspirations, independency, skill management system can impact on job satisfaction and encourages them to develop new skills which will pilot to employee engagement. The present engagement levels can be maintained and enhanced when the management takes cares of employee engagement on job satisfaction and encouragement to employees. So after analyzing the data we can conclude that there is in private banking sector give more job satisfaction in different age group with their working environment and encourage to various experience group of employees by motivating and develop through new skills, which influence the impact of job satisfaction and encourage to employees in private banking sector.

REFERENCE:

- [1] Ali Sobia, Farooqi Aftab Yasir, "Effect of Work Overload on Job Satisfaction, Effect of Job Satisfaction on Employee Performance and Employee Engagement (A Case of Public Sector University of Gujranwala Division)", *International Journal of Multidisciplinary Sciences and Engineering*, Vol. 5 (8), (2014), pp 23-20.
- [2] Henryhand. J.Carla, "The Effect of Employee Recognition and Employee Engagement on Job Satisfaction and Intent to Leave in the Public Sector", Vol. 24 (3), (2009), pp 1-130.
- [3] PriyankaGoel, A Comparative Study of Employee Engagement in Public and Private Sector Banks, Jagannath University, (2011), p.p:143.
- [4] SapnaMalhotra, Performance Management System and its Relationship with Employee Engagement in Service Industry. Shreemati Nathibai Damodar Thackersey Women's University, Mumbai, (2014), p.299.
- [5] Swaminathan.J., 'Essential Components of Employee Engagement- A study with reference to TNSTC; Kumbakonam, (2010).