

## **Employee Engagement Practices and organizational culture in High Performance Work Culture Organizations (With special reference to public and private sector banks in AP)**

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**Abstract;** *Employee Engagement (EE) is an important factor in the organization to achieve the success and increase its productivity. EE is the key variable that brings employee and the management closer. There are many factors that influence Employee Engagement along with demographic factors. The researchers have identified some of variables and were grouped into a factor as Individual factor. Employee Engagement, according to the Corporate Executive Board (2004) is the “extent to which an employee commits to something or someone in the organization and how long they stay as a result of their commitment”. The main focus of this research paper is an evaluation and measurement of Employee Engagement. This research is to study the employee engagement practices in banking sector. Also to examine the role of organizational work culture system and the major HR factors in engaging an employee. Contemporary organizations are competing for a larger market pie by employing various strategies and human resources are being considered as a strategic partner with far – reaching transformational roles and responsibilities.*

**Keywords;** *Employee engagement, public and private sector banks, HPWC culture, emotional engagement, cognitive engagement, physical engagement.*

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### **I. Introduction**

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. 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. 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.

### **II. Review of literature**

**Employee Engagement;** Engaging employees is a key to satisfy organization’s customers. HR consultants consider that the engagement is how employee feels about the work and how he or she is treated in the organization. Employee engagement is rightly viewed as the main aspect of productivity.

A fully engaged employee brings enthusiasm and zeal to their work which is directly related to cohesive workplace culture and the extra efforts, better ideas and innovations that make organizations succeed. In recent years due to a slow economic recovery and uncertain economic conditions many organizations have limit their hiring processes, making employee engagement even more significant. Taking these things into consideration it is important to understand the culture, management and other factors that influence employee engagement.

The importance of employee engagement is clear when looking at the differences in performance between work teams with high and low levels of employee engagement. Gallup (2013) finds that employee engagement program is powerful evidence of the impact of employee engagement on the bottom line . The *State of the American Workplace: Employee Engagement Insights for U.S. Business Leaders* report finds that “engaged workers are the lifeblood of their organizations.”

- HitakshiDutta and Sandhir Sharma (2016) has explained about the explosive growth and expansion of banking sector in India .The research paper accomplishes in identifying the gaps in employee engagement models in Indian banking sector. With that study; a conceptual model is proposed to make an appealing approach towards Employee Engagement.
- Tejvir Singh has done a comparative study on Employee Engagement, in profit and non-profit organizations from different sectors that examines the link between different factors of engagement and their impact on engagement . In this research, employees were asked about the need for them and whether they have been provided with them. From the answers given by the employees, it has been worked out to provide an engaged environment.
- P. Ramakrishna &Dr. K. SrinivasaRao (2017) made an attempt to review the existing literature on the HRM practices of various banks [19].It was found that the HRM practices in the Indian banking industry have changed over anage of time and the HRM practices of Indian private sector banks are marginally better than the Indian public sector banks.
- Saloni Devi in her book entitled “Impact of employee engagement on organizational performance: A study of select private sector banks” has given the importance of employee engagement in the literature [22]. The study had deep analysis of the relationship between employee engagement and organisational performance and the results from it. This study focuses on the gaining popularity of employee engagement in the organisation. It also argues the fact that employee engagement should be a continuous process of learning, improvement, measurement and action.

Jalal Hanaysha in his study entitled “Testing the Effects of Employee Engagement, Work Environment, and Organizational Learning on Organizational Commitment” has explained the effects of work engagement, organizational learning, and work environment on organizational commitment in higher education sector . To achieve this objective, the data was collected using an online survey from 242 employees at public universities in northern Malaysia. The collected data was analysed using SPSS and Structural Equation Modelling (SEM). The findings indicated that employee engagement has a significant positive effect on organizational commitment. It was also found that work environment has a significant positive impact on organizational commitment.

**Organizational culture;**Tastan and Turker (2014) conducted an empirical study in banking, finance and insurance sector of turkey and found positive relationships among organization culture, job involvement, safety and psychological condition of employment .

Khalid and Aroosh (2014) conducted research on banks of Pakistan on gender discrimination at work place and state discrimination is the result of thought process of culture and it influenced organizations commitment and employee performance. Olughor (2014) further investigated the relationship between organizational culture and organizational effectiveness by taking four dimensions of organizational culture as independent variables and found a positive relationship between organizational culture and organizational performance.

ShivaniRaval (2014) found difference in the work culture of hospitality and banking sector, her study based on OCTAPACE dimensions of organization culture which concluded that hospitality sector scores higher on openness, experimentation and proaction while banking sector has more authenticity and trust

### **III. Current scenario of Indian banking industry**

Over the years the Banking sector in India has become stronger and the number of customers has immensely grown. The banking sector has become globally competitive and diverse aiming, at higher productivity and efficiency. Exposure to worldwide competition and deregulation in Indian financial sector has led to the emergence of better quality products and services. Reforms have changed the face of Indian banking and finance. The focus has now been shifted from product to customer.

The Private Sector Banks in India are witnessing immense progress. They are the leaders in Internet banking, mobile banking, phone banking, ATMs. The banking today is re-defined and re-engineered with the use of Information Technology and it is sure that the future of banking will offer more sophisticated services to the customers with the continuous product and process innovations.

### **IV. Research methodology**

#### **Objectives of the Study:**

- 1 To examine the role of organizational work culture system in engaging of an employee in select Public Sector and Private Sector Banks in Andhra Pradesh.
- 2 To measure employee engagement cognitively, emotionally and physically in both Public Sector and Private Sector Banks in Andhra Pradesh.

**Sampling Plan:**

The population taken for the study include employees working with select Public Sector and Private Sector banks located in and around Andhra Pradesh.

The Sample size for the study was calculated using the mean method for sample size calculation using the formula:  $n = \frac{Z^2 * s^2}{e^2}$  where  $Z$  is the standard score,  $s$  is the dispersion in the data, and  $e$  stands for tolerable error 40. The sample size calculated accordingly came out to be 100.

**Sampling Technique:**

Stratified Random Sampling was used for the study. 10 banks were randomly selected from the sampling frame, out of which 5 from Public Sector and 5 from Private Sector Banks.

A total of 100 responses were collected, out of which 50 were from Junior Level, 25 from Middle Level and the remaining 25 from Senior Level.

**Data Collection:**

For Employee Engagement practices, information was collected from employees of Public and Private Sector Banks through discussions and unstructured interviews.

Data regarding Employee Engagement Parameters was collected through a specified questionnaire especially designed for the purpose. The hypotheses was measured in Likert's scale (strongly agree, agree, neutral, disagree, and strongly disagree).

**V. Hypotheses for the Study**

With respect to the objectives of the study, following hypotheses were set for the same:

H0: Organizational HPWC Culture has no significant impact in predicting employee engagement comprising of high productivity, brain gain, low HR turnover and employee satisfaction in select Public Sector Banks and Private Sector Banks in Andhra Pradesh.

H1: Organizational HPWC Culture has significant impact in predicting employee engagement comprising of high productivity, brain gain, low HR turnover and employee satisfaction in select Public Sector Banks and Private Sector Banks in Andhra Pradesh.

H0: There is no significant difference in Employees Engagement levels across different category of Public Sector Banks and Private Sector Banks in Andhra Pradesh.

H2: There is significant difference in Employees Engagement levels across different category of Public Sector Banks and Private Sector Banks in Andhra Pradesh.

**Statistical Tools Used For Hypothesis Testing:**

Stepwise Multiple Regression Analysis using a bidirectional approach (software used: IBM SPSS 20)

The High Performance Work Culture factors considered for the study are:

- 1 Quality of Work Life (QWL)
- 2 Dynamic Work Culture and Structure
- 3 Team Work
- 4 Job Security
- 5 Leadership
- 6 Skill Utilization
- 7 Job Satisfaction
- 8 Autonomy and Independence

The three levels of Employee Engagement are:

1. Cognitive Engagement
2. Physical Engagement
3. Emotional Engagement

**Table No. 1.1: Parameters of Employee Engagement: Factor Loadings**

Parameter	Indicator	Factor Loadings	P value
F11	F1	0.628	0.000
F11	F2	0.656	0.000
F11	F3	0.706	0.000
F11	F4	0.651	0.000
F11	F5	0.864	0.000
F11	F6	0.805	0.000
F11	F7	0.915	0.000

F11	F8	0.961	0.000
F11	F9	0.945	0.000
F11	F10	0.863	0.000
F1	X1	0.682	0.000
F1	X2	0.685	0.000
F1	X3	0.706	0.000
F1	X4	0.744	0.000
F2	X5	0.708	0.000
F2	X6	0.709	0.000
F2	X7	0.718	0.000
F3	X8	0.598	0.000
F3	X9	0.699	0.000
F3	X10	0.590	0.000
F4	X11	0.689	0.000
F4	X12	0.715	0.000

**Hypothesis Testing:**

**Hypothesis Testing for Hypothesis No.1:**

**1. Null and Alternative Hypotheses:**

H0: Organizational HPWC Culture has no significant impact in predicting employee engagement comprising of high productivity, brain gain, low HR turnover and employee satisfaction in select Public Sector Banks and Private Sector Banks in Andhra Pradesh.

H1: Organizational HPWC Culture has significant impact in predicting employee engagement comprising of high productivity, brain gain, low HR turnover and employee satisfaction in select Public Sector Banks and Private Sector Banks in Andhra Pradesh.

**2. Statistical Test:** Stepwise Multiple Regression Analysis

**3. Level of Significance**  $\alpha = 0.05$

**4. Multiple Regression Analysis:**

A stepwise multiple regression analysis was used to study the effect of the Independent Variables on Employee Engagement parameters. The stepwise multiple regression tool has produced 8 models.

**Table No. 1.2: Hypothesis 1-Model Summary (SPSS Output)**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics		
					R Square Change	F Change	df1
1	.492 <sup>a</sup>	.242	.241	.859	.242	211.652	1
2	.542 <sup>b</sup>	.294	.292	.830	.051	48.101	1
3	.568 <sup>c</sup>	.323	.319	.813	.029	27.803	1
4	.580 <sup>d</sup>	.337	.333	.805	.014	13.907	1
5	.592 <sup>e</sup>	.350	.349	.798	.350	13.609	1
6	.596 <sup>f</sup>	.355	.350	.795	.006	5.616	1
7	.601 <sup>g</sup>	.361	.354	.792	.015	5.641	1
8	.590 <sup>h</sup>	.348	.344	.816	.019	23.548	1

- a. Predictors: (Constant), high productivity.
- b. Predictors: (Constant), high productivity, brain gain.
- c. Predictors: (Constant), high productivity, brain gain, low HR turnover.
- d. Predictors: (Constant), high productivity, brain gain, low HR turnover, employee satisfaction.
- e. Predictors: (Constant), high productivity.
- f. Predictors: (Constant), high productivity, brain gain.
- g. Predictors: (Constant), high productivity, brain gain, low HR turnover.
- h. Predictors: (Constant), high productivity, brain gain, low HR turnover, employee satisfaction.

**Table No. 1.3 - Hypothesis 1 – ANOVA Test (SPSS Output)**

Model		Sum of Squares	Df	Mean Square	F	Sig.(p)
	Regression	156.077	1	156.077	211.652	.000
1	Residual	487.437	661	.737		
	Total	643.514	662			
2	Regression	189.189	2	94.594	137.417	.000
	Residual	454.326	660	.688		
	Total	643.514	662			
	Regression	207.581	3	69.194	103.790	.000
3	Residual	435.933	659	.662		

	Total	643.514	662			
4	Regression	216.603	4	54.151	83.463	.000
	Residual	426.911	658	.649		
	Total	643.514	662			
5	Regression	156.077	1	156.077	13.069	.000
	Residual	487.437	661	.737		
	Total	643.514	662			
6	Regression	189.189	2	94.594	5.616	.000
	Residual	454.326	660	.688		
	Total	643.514	662			
7	Regression	207.581	3	69.194	5.641	.000
	Residual	435.933	659	.662		
	Total	643.514	662			
8	Regression	216.603	4	54.151	23.548	.000
	Residual	426.911	658	.649		
	Total	643.514	662			

**Hypothesis Testing for Hypothesis No.2**

**1. Null and Alternative Hypotheses:**

H<sub>20</sub>- There is no significant difference among demographic factors in assessing the three levels of employee engagement of bank employees.

H<sub>21</sub>- There is significant difference among demographic factors in assessing the three levels of employee engagement of bank employees.

**2. Statistical Test:** Stepwise Multiple Regression Analysis

**3. Level of Significance**  $\alpha = 0.05$

**4. Multiple Regression Analysis:**

A stepwise multiple regression analysis was used to study the effect of Independent variables i.e.the 6 identified parameters on Employee Engagement. The stepwise multiple regression tool has produced 10 models.

**Table No. 1.4: Model Summary (SPSS Output)**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics		
					R Square Change	F Change	df1
1	.512 <sup>a</sup>	.262	.261	.857	.262	234.678	1
2	.557 <sup>b</sup>	.310	.308	.829	.048	46.230	1
3	.576 <sup>c</sup>	.332	.329	.817	.022	21.272	1
4	.586 <sup>d</sup>	.344	.340	.810	.012	11.839	1
5	.593 <sup>e</sup>	.352	.347	.806	.008	8.172	1
6	.569 <sup>f</sup>	.324	.321	.815	.012	21.256	1
7	.512 <sup>g</sup>	.262	.261	.857	.262	234.678	1
8	.557 <sup>h</sup>	.310	.308	.829	.048	46.230	1
9	.576 <sup>i</sup>	.332	.329	.817	.022	21.272	1
10	.586 <sup>j</sup>	.344	.340	.810	.012	11.839	1
11	.593 <sup>k</sup>	.352	.347	.806	.008	8.172	1
12	.569 <sup>l</sup>	.324	.321	.815	.012	21.256	1

- a. Predictors: (Constant), age of the employee
- b. Predictors: (Constant), age of the employee, income level of the employee
- c. Predictors: (Constant), age of the employee, income level of the employee, gender of the employee
- d. Predictors: (Constant), age of the employee, income level of the employee, gender of the employee, cognitive engagement
- e. Predictors: (Constant), age of the employee, income level of the employee, gender of the employee, cognitive engagement, emotional engagement
- f. Predictors: (Constant), age of the employee, income level of the employee, gender of the employee, cognitive engagement, emotional engagement, physical engagement
- g. Predictors: (Constant), age of the employee
- h. Predictors: (Constant), age of the employee, income level of the employee
- i. Predictors: (Constant), age of the employee, income level of the employee, gender of the employee
- j. Predictors: (Constant), age of the employee, income level of the employee, gender of the employee, cognitive engagement
- k. Predictors: (Constant), age of the employee, income level of the employee, gender of the employee, cognitive engagement, emotional engagement
- l. Predictors: (Constant), age of the employee, income level of the employee, gender of the employee,

cognitive engagement, emotional engagement, physical engagement

**Findings of the Study:**

The findings of the study with respect to the above objectives can be summarized as follows:

- When Training and Development is improved by 1 unit, Employee Engagement goes up by 0.178 units, controlling for the effect of remaining 8 variables.
- When Communication and Knowledge Sharing is improved by 1 unit, Employee Engagement goes up by 0.094 units, controlling for the effect of remaining 8 variables.
- When Potential Appraisal is improved by 1 unit, Employee Engagement goes up by 0.092 units controlling for the effect of remaining 7 variables.
- When Participative Management is improved by 1 unit, Employee Engagement goes up by 0.091 units controlling for the effect of remaining 7 variables.
- When Fair Compensation is improved by 1 unit, Employee Engagement goes up by 0.121 units controlling for the effect of remaining 7 variables.
- When Equal opportunities for Growth are improved by 1 unit, Employee Engagement goes up by 1.745 units controlling for the effect of remaining 7 variables.
- When Reward Management is improved by 1 unit, Employee Engagement goes up by 0.192 units controlling for the effect of remaining 7 variables.
- When Work – Life Balance is improved by 1 unit, Employee Engagement goes up by 0.121 units controlling for the effect of remaining 7 variables.

Thus, as we have found that there are 8 significant predictors, the alternative hypothesis is accepted.

- When 'Age of the Employee' is improved by 1 unit, 'Employee Engagement' goes up by 0.210 units, controlling the effect of remaining predictors.
- When 'Income Level of the Employee' is improved by 1 unit, 'Employee Engagement' goes up by 0.136 units, controlling the effect of remaining predictors
- When 'Gender of the Employee' is improved by 1 unit, 'Employee Engagement' goes up by 0.172 units, controlling the effect of remaining predictors.
- When 'Cognitive Engagement' is improved by 1 unit, 'Employee Engagement' goes up by 0.145 units, controlling the effect of remaining predictors.
- When Emotional Engagement is improved by 1 unit, 'Employee Engagement' goes up by 0.098 units, controlling for the effect of remaining predictors
- When Physical Engagement is improved by 1 unit, 'Employee Engagement' goes up by 0.046 units, controlling for the effect of remaining predictors

Thus, as we have found that there are 6 significant predictors of 'Employee Engagement,' the alternative hypothesis is accepted.

1) The basic nature of Employee Engagement practices followed across the various banks is quite similar. These practices aim at bringing about Employee Engagement by focusing on some particular Driver of Engagement. A brief note on these practices categorized as per the relevant Engagement Drivers that they focus on is given below:

**Importance to employee's opinion:**

There are many practices targeting this. Most banks have some or the other form of suggestion scheme.

**Effective, Capable and Credible Leadership:**

The activities carried out to target this, include, a daily or weekly column written by MD on the bank's Cyber Department, on bank's future plans, announcements etc, and quarterly and yearly results with the employees.

**High Performance Work Culture:**

92% of respondents opine that there is a need for improvement in the present work culture of organisations.

**Teamwork:**

Team building games are organized by the HR twice a year or yearly in which employees from all levels across the organization participate. Offshore project picnics and project parties are also part of this.

**Role Clarity:**

To ensure that an employee gets a clear idea of any new role assigned to him, there is a concept of 'role based training' in most of the IT companies. For example Cognizant has a 'first time lead' programme in which

employees who will be leading a team is given focused training on aspects like soft skills, interpersonal skills, leadership skills, motivational skills etc.

**Job Fit:**

There are 'internal job postings' in banks wherein if any employee feels that he is not in the right project, he can apply internally for a change in project or skill area. Moreover for a better job fit, it is essential to give opportunities to the employees to enhance their skills, so there are regular internal and external training opportunities given to the employees with the help of which the employees can either enrich themselves in the same skill or can move from one skill to another.

**VI. Conclusion**

By observing the results of the Study, it can be concluded that there is differences in Work Culture of select Public Sector and Private Sector Banks. Also, it is noteworthy that there is a difference in impact of demographic factors on Employee Engagement Levels.

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