

# Employee Engagement and Organizational Commitment Practices in Banking Sector- An Empirical Study of Employee's Perception.

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## Abstract

The banking sector plays major role in the development of the Indian economy. Due to globalization of banking sector there is a lot opportunities, growth and fulfilling jobs for banking employees. The study is examining the impact of employee engagement and organizational commitment practices in selected private banks at Tamilnadu in India. Both primary and secondary data was used in this research. Primary data was collected using well structured interviewed questionnaire from 110 employees working in various private banks. The collected data was analyze using different statistical tools such as percentage analysis, mean, standard deviation, co-efficient variation and chi square analysis etc. From this study it is evident that there is significant relation between employee engagement and organizational commitment of the private banking employees. Beside this study suitable suggestions are recommended for improving employee engagement. It may increase customer satisfaction, work quality and retain top talent employees.

**Keywords:** Globalization, Banking employees, Employee engagement, Organizational commitment and Talent employees.

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## I. Introduction

The banking sector plays a major role in the development of the Indian economy. The banking system in India consists of the central bank (RBI), commercial bank, co-operative banks and development banks. These institutions which provide a meeting ground for the safety and the investment from the core of Indian financial sector. Due to globalization of banking sector there is a lot of opportunities growth and fulfilling jobs for banking employees. Thus it is need for retain employees, investing effective employee engagement and organizational commitment practices.

### Employee engagement

Employee engagement is a work place approach designed to ensure that employees are committed to their organizations goods, objectives and values encouraged to contribute organizational succeed and able at same time to enhance their own sense of well being. In other words employee engagement is actually the level of enthusiasm and dedication and employees feels towards his/her job. To theses engaged employees, it is far more than a pay cheque. It is the eagerness towards their tasks that makes them passionate in their work, and this passion is often reflected in their individual outcomes. An engaged employee cares about their work and about the performance of the organizational and they want to feel that their efforts could make a difference. It is generally seen as an internal state of mine, physically, mentally and emotionally that binds together the work effort commitment and satisfaction in an employee.

Hewitt (2005) describes engagement as the measures of an employee emotional and intellectual commitment to their organization and its success.

Mowday (1979) et. al defined commitment as "the relative strength of an individual identification with an involvement in a particular organization.

### Organizational commitment

The concept of commitment plays an important part in human resource management. Guest (1987) has suggested, HRM policies are designed to maximize organization integration, employee commitment flexibility and quality of work,

Individuals about their organization. According to Porter et al (1974), commitment is the relative strength of the individuals' identifications with and involvement in, a particular organization, the following three characteristics of commitment introduced by Mowday et al (1982) are

- A strong desire to remain a member of the organization.
- A strong belief in and acceptance of the values and goals of the organization.
- A readiness to exert considerable effort on behalf of the organization.

### **Employee engagement and commitment**

We know that organizational commitment to employee satisfaction as well as identification with the organization. Employee engagement goes a step further, and involves the employee making discretionary efforts towards attainment of organizational goals. In further employee commitment may be the extent to which employees are bound emotionally to their organization while employees are passionate about that they do, about their work and committed to their coworkers and their organization.

## **II. Literature Review**

Kahn's conceptual work is the first foundation for the development of the theoretical framework of employee engagement. Employee engagement is a multidimensional concept (Kahn 1990) in which employee engagement people expressed and engaged emotionally, cognitively, physically. The cognitive part of employee engagement is concerned with the thinking of employees about their organizations, leaders and working conditions. The emotional part of engagement of employees is related to the feeling of employees about the factors stated above and employees' attitude towards their leaders and organizations.

Hitachi Dutta and Sandhir Sharma (2016) have explained about the explosive growth and expansion of the banking sector in India. The research paper accomplishes and identifies the gap in employee engagement models in the Indian banking sector with the study: a conceptual model is proposed to make an appeal in approach towards employee engagement.

Kokemuller (2010) Employee engagement is the level to which employees feel motivated and involved in their work place, job responsibilities, work relationship and growth opportunities are among primary internal factors affecting engagement. External factors include competing career opportunities, along with family and social obligations.

Vance (2006) engaged employees support the organization to attain its mission, executive strategy and generate significant business results. Employee engagement can be job design, recruitment, selection, compensation, training and performance management.

### **2.1 Statement of the problem**

Today's competitive world private banking sector is the one of the most important growing areas. Many people working in this environment and facing more problems regarding work environment and work itself. Thus the study focuses on employee engagement and the employee commitment among private bank employees.

### **2.2 Purpose of the study**

- ❖ To examine the level of employee engagement and organizational commitment experienced by employees in selected private banks at Tiruvallur district of Tamil Nadu in India.
- ❖ To determine the levels of employee engagement and the organizational commitment by demographic variables (such as Age, Education, Work experience, Gender and Area.)
- ❖ To suggest best practical needs to improve employee engagement and employee commitment.

### **2.3 Scope of the Study**

The results of the study attempted to understand and analyze various factors of employee engagement and organizational commitment of different private bank employees.

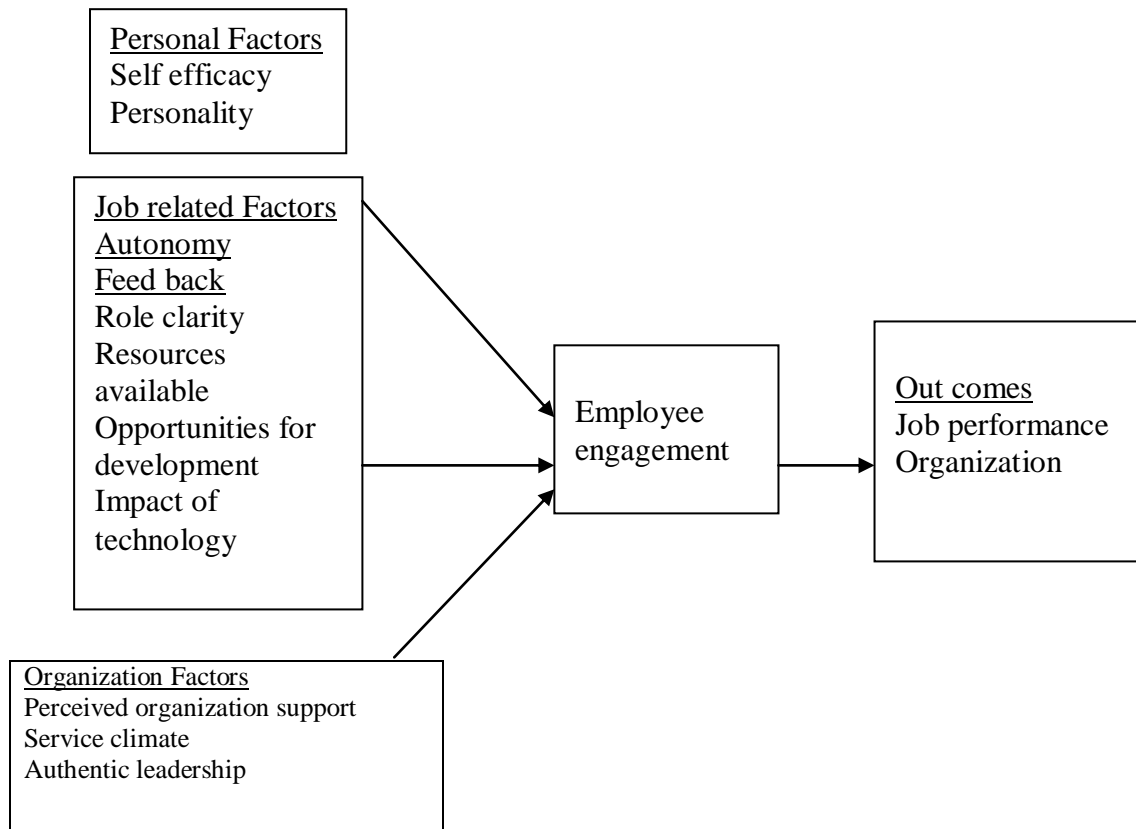
### **2.4 Significance of the study**

When employees are engaged they more like the job they do which leads to higher quality of job performance produced. By investing in effective employee engagement banking sector able to increase customer satisfaction as well as employees' job satisfaction.

### **2.5 Limitations**

The study has some limitations. The findings of the study indicate selected banking employees' perceptions with 110 samples only. Due to pandemic (COVID-19) situations difficult to collect primary data and also employees hesitate to provide their information properly.

**Employee engagement and organizational commitment model**



**2.6 Research Methodology**

The research is descriptive in nature both primary and secondary data was used in this research. Primary data was collected from well structured interviewed questionnaire consists of information related to fairness, involvement, well- being and communication of the organizational commitment through quantitative survey techniques. Totally 110 samples were collected from the selected private banks at Tiruvarur district of Tamilnadu in India.

**Table: 1 Samples selected for the study**

Sl.no	Name of the bank	No. of branches	No of employees	Percentage (%)
1	ICICI	6	34	30.90
2	HDFC	4	28	25.46
3	AXIS	5	31	28.18
4	KVB	4	17	15.46
	Total	19	110	100.00

Source: Compiled by the researcher

The study is descriptive in nature. The main purpose of descriptive research is description of the static of affairs as it exists at present. In the present study, descriptive method is used to investigate the socio economic background and employee engagement on organizational commitment in selected private commercial bank employees.

**Tools for data collection.**

The data for the purpose of the present study have been collected through both primary and secondary. The primary data mere collected through well structured questionnaire prepared with respect to the objectives of the study. The sources of secondary data were collected through journal books, news paper, brochures’ thesis and various website etc.

**Table: 2 Tools for data collection**

Research plan		Sample plan	
Research design	Causal	Sampling design	Convenience sampling
Instrument	Structured questionnaire	Sample size	110
Scale	5-point likert scale	Location	Thiruvarur District

Source: compiled by the researcher

**Area of the study**

The study was under taken in Thiruvarur District selected private commercial banks of Tamilnadu in India.

**Sample size**

A total of 110 respondents were participated in this research

**Sampling procedures**

For the purpose of the research, the respondents were selected from different banks of the Tiruvarur District from different places and different occupations with different education level, income and age groups. Convenient sampling technique was followed for collected response from the respondents.

**Tools and Techniques of Analysis**

The statistical tools used for the purpose of this study are simple percentage analysis, Mean, Standard deviation, chi square test etc... The respondents are categorized in the basis of five point likert scale.

**Table 3 Demographic and professional characteristics of the bank employees**

Criterion		No of Respondents	Percentage (%)
		(110)	
Age (years)	25-30	56	50.90
	31-40	30	27.28
	41 and above	24	21.82
	Total	110	100.00
Gender	Male	76	69.10
	Female	34	30.0
	Total	110	100.00
Marital status	Single	62	56.36
	Married	48	43.64
	Total	110	100.00
Monthly income	15000-20000	72	65.45
	20001-30000	22	20.00
	>30000	16	14.55
	Total	110	100.00
Educational level	Degree	60	54.55
	PG	34	30.90
	Others	16	14.55
	Total	110	100.00
Designation	Executive Employees	22	20.00
	Technical Employees	14	12.73
	Clerical Employees	53	48.18
	Others	21	19.09
	Total	110	100.00
Experience	Less than 5years	64	58.18
	5-10	26	23.64
	More than 10	20	18.18
	Total	110	100.00

Source: Primary Data.

**Hypothesis**

- \* H0: There is an associate relation between age and job well being
- \* H0: There is a significant relation between infrastructure and experience of the employees
- \* H0: There is close relationship between employee engagement and organization commitment

**Table No 4 Chi square tests**

Factor	Chi-square value	Degrees of freedom	Critical value	Remarks
Age and Job well being	9.48	8	15.507	Significant at 5% level
Experience and infrastructure	8.24	8	15.507	Significant at 5% level
Employee engagement and organizational commitment.	11.13	12	21.026	Significant at 5% level

*Source: compiled by the researcher*

**Table: 5 Descriptive statistics variables of the employee engagement**

S.No	Variables	Mean	Std Deviation
	I. Relates to fairness		
1	I am proud to work for this bank	1.774	0.933
2	I rarely think about looking for a job of another organization	1.761	0.946
3	I would recommend ours bank as a great place to work	2.043	0.790
4	I am satisfied with the opportunities there are to develop my carrier.	2.004	0.772
5	I receive appropriate training and development that helps me grow and develop my skills	2.047	0.765
6	I receive appropriate pay and benefits for the job that I do on to one basis at least once every six months.	2.081	0.806
	II. Relates to involvements		
7	Team work is encouraged in my unit	2.184	0.750
8	I feel part of a family working for their organization.	2.197	0.715
9	My manager listen and act an my views	2.103	0.790
10	I feel opportunities involved in decision making	2.363	0.859
11.	I am able to voice my view to my manager	1.679	0.965
	III. Relates to well being		
12.	I am not over loaded with work to do.	1.667	0.903
13.	I have appropriately stimulates and challenging work.	1.701	0.952
14.	I am happy with my work life balance.	1.709	0.968
15.	The organization promotes equal opportunity	1.681	0.915
16.	I have appropriate resources to do my job well.	1.697	0.925
	IV. Relates to Infrastructure		
17.	The goals of the organizations are clear	1.682	0.900
18.	I have clear understanding of the vision of this organization.	1.919	0.975
19.	Senior manager support in my task	1.991	0.818
20.	I am clear what is expected of me in my role	2.043	0.810
21	I receive timely information to help me do job well.	2.654	0.871

*Source: compiled by the researcher*

The descriptive statistics for the above table 4 shows that mean values of 21 variables that relates to fairness, well being, infrastructure and involvements. The Mean range from 1.667 to 2.654 with standard deviation ranging from 0.715 to 0.975.

**III. Results and Discussion**

The study shows that 58.7 % of respondents is average degree of employee engagement, 26.5% of the respondents is high degree of employee engagement. Remaining 14.8% of employees are low degree of employee engagement with organizational commitment. Furthermore employee engagement activities are positive significant correlation with organizational commitment. Such as Age, Experience, Job category etc. Thus the organization tried to increase the trust and communication between the employee and organization. It may increase the employment engagement with organizational commitment will high degree of employee involvement. This study may extend more samples with wide area know more about employee engagement activities.

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