Employee Engagement - A Study of Employees of District Central Co-Operative Banks of Tumkur District

1 Dr. S. John Manohar, 2Mrs. Rajeshwari P, 3Dr. Subramanya Manjunath
1 Professor – MBA, BMS College of Engineering, Bangalore, India
2 Research Scholar – VTU, & Faculty - MBA, SSIMS, Tumkur, India
3 Researcher, BIMS, Mysore, India

Abstract— Engaged employees not only work with their mind and body but also with ‘hearts’. Engaged employees and organizations will ‘go the extra mile’, for each other they see mutual benefits of investing in their relationship. A highly engaged employee will consistently deliver beyond expectations. In today’s global scenario, competition is not only limited to software and technology industry but also in every sphere of business. The continuous growing stringent demands and needs of the customer can be managed only when the organizations have competent, motivated and highly engaged employees. With this perspective, District Central Cooperative Banks (DCCBs) focus on farmers to cater their needs for improvement and modernization of agricultural needs with considerable capital for investment. Nevertheless the cooperative banks coming under DCCBs faces a major competition and challenge to meet the growing needs of the customers, for this employee engagement is most important. In this paper an attempt has been made to understand the concept of employee engagement and find out the level of engagement in this sector where employee engagement is not much familiar, the findings have been presented in this paper.

Key words: Employee engagement, commitment, individual contribution, job and organization, profitability, customer satisfaction.

I. INTRODUCTION

The post economic reforms and the globalization of markets have changed the organization work culture considerably in all sectors of business. This necessitates the organization to be more flexible and increase the productivity for survival. In view of the increasing competition, competitive skill level of the employees and increasing job opportunities, job security of employees at all levels is apparently ridiculous. This changing nature of work complemented by demand and supply of talents with competitive skills has forced HR managers not only to attract and retain talented employees but also to engage them with total commitment for survival and success of the organization which is critical.

Thus, in today’s organizational context, ‘employee engagement’ is the buzz word. The reason behind its popularity is the widely held belief that an engaged employee is a more satisfied, committed, loyal and strive to achieve goals of the organization. It is further believed that such an employee advocates the cause of the organization by (a) speaking well about it, (b) staying positively with the organization, and (c) striving to work hard beyond the call of duty. Employee engagement, therefore, is seen by the practitioners as bringing clarity and real competitive advantage. It is a fact, the driving force for success of the organization is directly proportional to the competency and commitment of the employees working in the organization. The employee’s emotional and intellectual commitment exhibited in their work makes the organization to satisfy customer needs and expectation to achieve customer satisfaction.

II. RATIONALE FOR THE STUDY

In line with the researcher thoughts on changing nature of work culture, it is opt to take cognizant view of the functioning of the cooperative sector as it significantly contributes in terms of credits to farmers for modernization and improvement of agriculture needs with considerable capital for investment. In the current scenario, cooperative sector is not an exception and necessarily it has to strive to increase its profits, improve quality of goods and services and customer satisfaction with optimum resources. The District Central Cooperative Banks (DCCBs) which are playing vital role in rural agricultural credit has to realize that having a strong network, new products, and new technology alone does not help them to get the winning edge over competitors. Hence, it needs the committed participation of a good majority of people working in cooperative banks so that the effectiveness and efficiency could be enhanced.

With this perspective, the following three cooperative banks have been chosen as samples in Tumkur District for the study on employee engagement to understand the perception of the employees working in cooperative banks on their level of engagement and commitment in meeting the objectives of the banks:

1. Tumkur Veerashaiva Cooperative Bank
2. Tumkur Grain Merchants Cooperative Bank (TGMC)
3. Sri Sharada Mahila Cooperative Bank, Tumkur

Manohar Dr. S. John et al.
III. REVIEW OF LITERATURE

To gain insight into the subject of study, it is felt necessary to conceptualize the viewpoints of various academicians and practitioners’ through review of some of the literature available. William H. Khan (1990) highlights engagement as more than simple job satisfaction. It can best be described as a harnessing of one’s self to his or her roles at work. In engagement, people express themselves cognitively, physically, and emotionally while performing their work roles.

Mikes (2001) justifies engagement as intensively involving all employees in high-engagement cascades that create understanding, dialogue, feedback and accountability, empower people to creatively align their sub units, teams and individual jobs with the major transformation of the whole enterprise. Harter et al., (2002) defined engagement as “the individual’s involvement and satisfaction as well as enthusiasm for work”.

Schaufeli et al., (2002) defined engagement as “a positive fulfilling, work related state of mind characterized by vigour, dedication, and absorption”. Robinson et al., (2004) defined engagement as “a positive employee attitude towards the organization and its values, involving awareness of business context, and work to improve e-job and organizational effectiveness”.

Kiron Shaw (2005) highlights multiple definitions of employee engagement which is, “translating employee potential into employee performance and business success” and thus “changing the way employee perform by utilizing the tools in the armoury of internal communication professionals”.

Saks, (2006) defined employee engagement as “a distinct and unique construct that consists of cognitive, emotional, and behavioural components that are associated with individual role Performance”.

Tripathy (2007) highlights engagement as “it is making employees to work with not only their minds and body but also with ‘hearts’. Engaged employees and organizations will ‘go the extra mile’ for each other they see mutual benefits of investing in their relationship.

Shuck &Willard, (2010) distinctly defined employee engagement as “an individual employee’s cognitive, emotional, and behavioural state directed toward desired organizational outcomes”.

IV. IMPORTANCE & KEY DRIVERS OF EMPLOYEE ENGAGEMENT

Despite the discussion from the above, in understanding the precise meaning of employee engagement there are three things we should know about it: it is measurable; it can be correlated with performance; and it varies from poor to great. Most importantly employers can do a great deal to impact on people’s level of engagement. That is what makes it so important, as a tool for business success.

A highly engaged employee will consistently deliver beyond expectations. According to the research carried out by Harter et al., (2002) in the workplace on employee engagement, the employees were repeatedly asked ‘whether they have the opportunity to do what they do best every day’. An organization capacity to manage employee engagement is closely related to its ability to achieve high performance levels and superior business results.

Some of the advantages of engaged employees are:
1) Engaged employees will stay with the organization, be apromoterof the organization and its products and services, and contribute to the bottom line of the business success.
2) They are motivated and do not wait for instructions, will normally perform better and proactive.
3) There appears a bonding between engaged employees and the goals of the organization.
4) The engaged employees are emotionally connected to the organization. They exhibit positive attitude towards clients, fellow colleagues, superiors and peers and thereby improves customer satisfaction and service levels.
5) Engaged employees tend to have a passion, commitment and alignment with the organization’s strategies and goals.
6) Creates a sense of loyalty in a competitive environment and enhances trust with the organization.
7) Boosts business growth and provides high-energy work environment.
8) Engaged employees creates brand identity of the organization.

In identifying what are the key drivers of employee engagement, Mitchell et.al.,(2010) in their study cited the following drivers as key to employee engagement:
1) Communication and transparency of top management
2) Systematic and quality approach by line management
3) Clear vision and mission of the organization and clarity in understanding and following of the vision with line of sight.
4) Empowered employees find an opportunity to share ideas, opinions and inputs for decision-making.
5) Learning and development opportunities for advancement of career of employees.
6) Being ethical - treating individuals with respect, fairness and showing integrity.

V. RESEARCH OBJECTIVES

The research study is based on the following objectives
1) To assess the engagement level of the employees working in cooperative banks.
2) To identify the factors affecting engagement of employees.
3) To analyze and suggest means for effective employee engagement.

VI. RESEARCH METHODOLOGY

The study being exploratory, the primary data is drawn from the respondents working in Cooperative banks at Tumkur. A structured questionnaire was designed and administered to 125 employees at different levels from the cooperative banks chosen for the study using convenience sampling. Of which 100 responded, yielding a response rate of 80%. The secondary data is obtained from published sources. The demographic details of respondents followed by statistical analysis forms the summary of findings.

Data Analysis

The study being exploratory, the data was obtained from the respondents based on the structured questionnaire with the details covering such as demographic information, to rate his / her organization based on certain traits compared with other similar organizations, the perception of the respondents for attributes related to job and organization and to receive feedback from the respondents about their work. The Likert scale was used to receive the feedback from the respondents.

The questionnaire was administered to 125 respondents at all levels from the Cooperative Banks situated at Tumkur in Karnataka viz., Tumkur Veerashaiva Cooperative Bank, Tumkur Grain Merchants Cooperative Bank (TGMC) & Sri Sharada Mahila Cooperative Bank, Tumkur. Of which 100 responses were received. The data received have been tabulated and analysed as follows:

Demographic Data:

Out of 100 responses received, Chart-I shows 45% of them are male and 55% were female respondents. The Chart-II indicates that the age group of the respondents between 25-35 years is more than fifty percent of the respondents’ i.e, 59%. Between 35 – 45 years 21%, above 45 years is 10% and between 20-25 years is 10%. The details of qualification are represented in Chart-III, which shows 60% of the respondents are graduates and 40% are post-graduates.

The Chart-IV shows the details of experience of the respondents, which indicates that 40% of them are up to 5 years, 30% of them are between 5-10 years. 15% of them between 10-15 years, 10% of them between 15 – 20 years and remaining 5% between 20-25%.

Feedback of respondents in comparison with other organizations, their Job & Organization & Individual Contribution is shown below:

When respondents were asked to rate their organization in comparison with other similar organization, Chart V indicates 35% of them felt that their organization as best performer. Another 33% responded their organization as above average performer and 30% of them felt that the performance of their organization in comparison with others is under performing and remaining 2% felt they are not aware.
The key drivers of employee engagement are the individual job and the organization. The Table-I indicates that majority of the respondents i.e., over 70% are contended with clear communication of goals, role expectations, company policies and willing to work in the same organization. However, 35% of the respondents have expressed that they are not satisfied with pay and benefits. Another 40% of the respondents opined that reward and promotion policies are not satisfactory and needs to be reframed.

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Attribute</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neither Agree nor Disagree</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Communication &amp; Goals</td>
<td>55%</td>
<td>35%</td>
<td>2%</td>
<td>5%</td>
<td>3%</td>
</tr>
<tr>
<td>2</td>
<td>Pay and Benefits.</td>
<td>20%</td>
<td>40%</td>
<td>5%</td>
<td>25%</td>
<td>10%</td>
</tr>
<tr>
<td>3</td>
<td>Organization Policy</td>
<td>70%</td>
<td>20%</td>
<td>0%</td>
<td>6%</td>
<td>4%</td>
</tr>
<tr>
<td>4</td>
<td>Reward and Promotion Policies</td>
<td>15%</td>
<td>35%</td>
<td>10%</td>
<td>22%</td>
<td>18%</td>
</tr>
<tr>
<td>5</td>
<td>Work in the same organization.</td>
<td>14%</td>
<td>60%</td>
<td>6%</td>
<td>10%</td>
<td>10%</td>
</tr>
</tbody>
</table>

From Table-II, it can be observed that majority of the respondents i.e., over 70% were positive in the factors of employee input, recognition, relationship with superiors, morale, team spirit, understanding of role, and learning opportunities. However, only 60% of the respondents felt that they offer their suggestions and inputs while taking decisions and remaining have expressed their concern that they are not encouraged to come out with ideas and suggestions while taking decisions. It was also interesting to note that the employees have regular opportunity to interact with customers and that has enabled them to have a say in their role and contribution and get recognized when they provide good service to the customers. It is also learnt from the respondents (74%) that they explore avenues for their learning and development in their area of work when they interact with customers.
Table – II: Individual Contribution

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Attribute</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neither Agree nor Disagree</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Contribution</td>
<td>10%</td>
<td>60%</td>
<td>5%</td>
<td>20%</td>
<td>5%</td>
</tr>
<tr>
<td>2</td>
<td>Recognition</td>
<td>14%</td>
<td>66%</td>
<td>2%</td>
<td>10%</td>
<td>8%</td>
</tr>
<tr>
<td>3</td>
<td>Relationship</td>
<td>21%</td>
<td>55%</td>
<td>4%</td>
<td>12%</td>
<td>8%</td>
</tr>
<tr>
<td>4</td>
<td>Morale</td>
<td>18%</td>
<td>65%</td>
<td>4%</td>
<td>10%</td>
<td>3%</td>
</tr>
<tr>
<td>5</td>
<td>Involvement</td>
<td>21%</td>
<td>40%</td>
<td>15%</td>
<td>19%</td>
<td>5%</td>
</tr>
<tr>
<td>6</td>
<td>Clarity of Role</td>
<td>55%</td>
<td>35%</td>
<td>2%</td>
<td>5%</td>
<td>3%</td>
</tr>
<tr>
<td>7</td>
<td>Teamwork</td>
<td>15%</td>
<td>60%</td>
<td>3%</td>
<td>12%</td>
<td>10%</td>
</tr>
<tr>
<td>8</td>
<td>Learning and development</td>
<td>17%</td>
<td>57%</td>
<td>6%</td>
<td>15%</td>
<td>5%</td>
</tr>
</tbody>
</table>

VII. SUMMARY OF FINDINGS

The research study indicates some of the key drivers which are essential for employee engagement. Firstly, it is apparent that female employees are committed and loyal to their work which is reflecting from the study as more than 50% of the respondents are women employees. It is important to note 69% of the respondents are less than 35 years of age and 40% less than five years’ experience. In the present industrial and economic scenario, youths play a vital role for success of the business and they are more interested and keen in generating new ideas and learn new things for their career advancement, which is advantageous for cooperative banks since they handle customers in large numbers.

It is also observed from the study that some of the factors which influence employee engagement such as communication of goals, role expectations, and transparency in company policies, team spirit, working relationships, and employees willing to stay and continue to work in the same organization are prevailing at its best at cooperative banks and indicates good level of employee engagement. However, the study also reveals that prime factors such as competitive pay and benefits, fair promotion policy and rewards, involvement of employees in decision making are some of the concerns which need to be implemented by the management of cooperative banks which help in making the banks more successful and profitable in the business. This is essential since majority of the employees in the banks deals with the customers which will have an impact on work culture of the banks.

VIII. LIMITATIONS & SCOPE FOR FURTHER RESEARCH

This study is confined to only three cooperative banks under DCCBs, Tumkur District, Karnataka and as the sample size is limited to 100 respondents through convenience sampling, there are chances of bias in responses and information gathered. Further, the engagement level of employees may also differ based on culture, needs and expectations of other organizations. As this work focuses only cooperative banks, it may lack validity in other organizations. With the gaining momentum of employee engagement as well, significant factors which are critical in other organization may be subject for research.

IX. CONCLUSIONS

This research study has given a thrust on employee engagement in select DCCBs which highlights the importance of significant factors that drives the engagement level of employees. Despite the type of organization, employee engagement plays a vital role for success and profitability of the organization. The study also indicates that the
engaged employees are more committed not only to their work and loyal to the organization but also strives to achieve the organizational goals. More importantly, when the employees stay positive and willing to continue by contributing for success and growth of the organization, it necessitates the management to implement certain policies, which leads to improve and motivates the employees with competitive pay and benefits, recognize high levels of engagement of employees with suitable rewards and recognition. Highly engaged employees will certainly make the organization more successful in financial and non-financial parameters.

REFERENCES