

The Study on Factors Affecting Employee Engagement

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Abstract:- The Objective of the project was to study the factors affecting Employee Engagement in HDFC bank. The study included understanding the concept, studying the employee engagement policies being followed by the organization, analysing them, taking viewpoints of employees and analysing the feedbacks received and giving recommendations for improvement. Basically Employee Engagement refers to the intellectual and emotional attachment of an employee with the Organization. The organization must work to develop and nurture engagement, which requires a two-way relationship between employer and employee's. There are lot of factors that affect employee engagement. The main theme of the study revolves around those variables. The independent variables considered in this study are work environment, image of the organisation, incentives and pay, supervisor and co-worker relationship, training and development, decision making and policies and procedures. This study is quantitative in nature and data was collected from 82 employees of the organization through the Survey Questionnaire method. The statistical tool used was SPSS software. After studying and analysing the Employee Engagement at HDFC, some improvements are suggested to make the workforce engaged to the maximum level possible.

Keywords: *Employee Engagement, work environment, image of the organisation, supervisor and co-worker relation, training and development, decision making*

INTRODUCTION

In recent times, due to rapid globalization, Indian organisations have realized that their talent is the key to their growth, and the Human Resource is the strategic resource that any enterprise truly needs. As a result, the Human Resource function has made the transition from 'behind-the-scenes' support to become a strategic partner in the business. Human Resource has tried to progress from being transactional to strategic where the head of the Human Resource function is now a vital part of the senior management team. Every organization knows the importance of engaging and motivating its people to perform and this has gained more prominence with time. But what is less commonly recognized is that employees want to be engaged in work where they feel that they are contributing in a positive way to something larger than themselves. Over the years, one of the toughest challenges confronting the business leaders of many organizations has been to ensure that when their employees check in everyday, they not only do it physically but also mentally

and emotionally. In short, they need to ensure that their employees are truly engaged.

Employee engagement has emerged as a critical driver of business today. It practically affects the employee morale, productivity and reasons for retaining in the company. Organizations are using their engaged employees as a tool of strategic competence. A highly engaged employee will consistently outperform and set new standards. Engaged employees contribute to the foundation line of any business and their engagement is echoed in their services to clients and customers. By so doing, engaged employees are helping to generate more patronage and customers loyalty, which in turn, gives organization a huge profitability.

LITERATURE REVIEW

Pooja Kohli and Shubhangi Zodage (2016) carried out work on "A study on Employee Engagement of Staff level employees working in Manufacturing Industries". They found that the leadership of senior management engages employees, the majority of employees feel compensation program is well organized for them, Employees feel that suggestions are considered and also queries are looked into.

Brenda Beryl Achieng Otieno, Esther Wangithi Waiganjo & Agnes Njeru (2015) carried out work on "Effect of Employee Engagement on Organisation Performance in Kenya's Horticultural Sector". Results indicated if the organization wants to have engaged employees then their personality profile must be given due weightage at the time of recruitment and selection.

Y Anuradha Iddagoda, Kennedy D, Gunawardana Kennedy D (2017) carried out work on "Employee Engagement and Perceived Financial Performance: A Serene Insight". They found that there is no empirical evidence on the relationship between employee engagement and financial performance in the Sri Lankan context.

Anitha J (2017) carried out work on "Determinants of employee engagement and their impact on employee performance". In her work she found that the linkage between engagement and performance is consistent with engagement models, theory, and research

Karminder Ghuman (2016) carried out work on "A Prognostic Examination of Functional and Emotional Employee Engagement Drivers and their Impact on

Employee Performance” and their study revealed that the feeling of engagement comes the most from effective leadership, employee satisfaction as well as customer satisfaction, in that order of importance..

Chandra Sekhar Patro (2013) carried out work on “The Impact of Employee Engagement on Organization’s Productivity”. Results showed that the organizations should not only provide their employees with great infrastructure, but also freedom to make their work exciting and the organizations should focus on retention as an outcome of three HR focus areas such as employee motivation, career growth & remuneration, and compensation.

Maha Ahmed, Zaki Dajani (2015) carried out work on “The Impact of Employee Engagement on Job Performance and Organisational Commitment in the Egyptian Banking Sector”. They found that the factors of leadership and organisational justice followed one another as the most important drivers of employee engagement and other factors also have positive relation with Job performance and organisational commitment

N.W.M.R. Weerasooriya, A Chamaru De Alwis (2017) carried out work on “Impact of Employee Engagement on Lean Manufacturing: An Empirical Study in Sri Lanka”. They found that Employee communication, employee development and image of the organization are significant

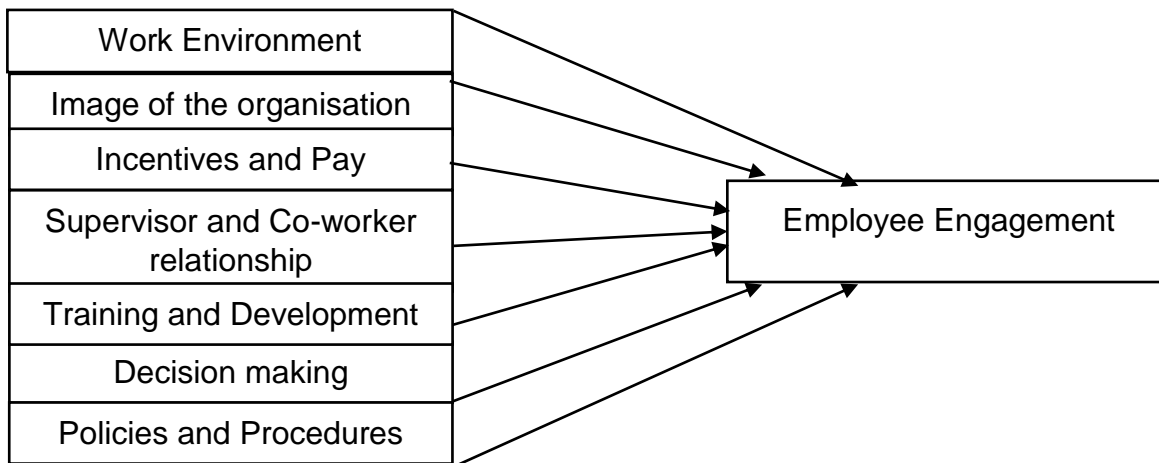
to Employee engagement. Co-employees’ support, reward, and recognition do not have significant influence towards employees’ engagement in LM system.

Madhura Bedarkar, Deepika Pandita (2013) carried out work on “A study on the drivers of employee engagement impacting employee performance”. This paper is based on a systematic review of literature on employee engagement which seeks to synthesize the current thinking and evidence. Emphasis was drawn on specifically on three drivers of engagement, which have an impact on performance of the employee.

Maniam Kaliannana, Samuel Narh Adjovu (2014) carried out work on “Effective employee engagement and organizational success: a case study”. They found that there exists a positive relationship between employee engagement and organisational success.

Ologbo C. Andrewa, Saudah Sofian (2012) carried out work on “Individual Factors and Work Outcomes of Employee Engagement”. Their findings revealed that engaged employees have positive behaviours, attitudes, intentions derived from a high level mutual relationship with their co-employees and their employer. Employee engagement can be utilized as a mediator to enhance the behaviour, intention and attitudes of employees towards a better work performance.

CONCEPTUAL MODEL



OBJECTIVE OF THE STUDY

1. To study the various factors affecting employee engagement
2. To determine the factors affecting employee engagement in HDFC bank

HYPOTHESIS

Factor 1: Work Environment

H0: There is no significance influence of Work Environment on Employee Engagement

H1: There is a significance influence of Work Environment on Employee Engagement

Factor 2: Image of the organisation

H0: There is no significance influence of image of the organisation on Employee Engagement

H1: There is a significance influence of image of the organisation on employee Engagement

Factor 3: Incentives and pay

H0: There is no significance influence of incentives and pay on Employee Engagement

H1: There is a significance influence of incentives and pay on Employee Engagement

Factor 4: Supervisor and co-worker relationship

H0: There is no significance influence of supervisor and co-worker relationship on Employee Engagement

H1: There is a significance influence of supervisor and co-worker relationship on Employee Engagement

Factor 5: Training and development

H0: There is no significance influence of training and development on Employee Engagement

H1: There is a significance influence of training and development on Employee Engagement

Factor 6: Decision making

H0: There is no significance influence of decision making on Employee Engagement

H1: There is a significance difference between decision making on Employee Engagement

Factor 7: Policies and procedures

H0: There is no significance influence of policies and procedures on Employee Engagement

H1: There is a significance influence of policies and procedures on Employee Engagement

METHODOLOGY

Data Collection

Data were collected through survey using a structured questionnaire having 36 questions covering all the factors

along with the demographics. Respondents were middle level management employees of HDFC bank. Data were collected from targeted population of Mysore. Questionnaires were handed over to them with a request for filling at the spot.

Sampling Method

The sample size is computed using a formula shown below:

$$n = \frac{z^2(pq)}{e^2}$$

The sample size so obtained is 82respondents.

Where, p = probability of occurrence = 0.3; q = probability of non-occurrence =0.7;e = standard error = 0.01;z = confidence level =1.96 at 95% confidence interval

Questionnaire Design

The independent variables are work environment, image of the organisation, incentives and pay, supervisor and co-worker relationship, training and development, decision making and policies and procedures have 4 items each. The dependent variable is employee engagement and it has 5 items. Demographics considered were gender, education level, year of experience, role in organization. All the variables are measured with 5-point Likert scale.

DATA ANALYSIS

KMO	INDEPENDENT VARIABLE	DEPENDENT VARIABLE
	0.724	0.706

The sampling size to be adequate the KMO value should be greater than 0.5. Values ranging from 0.70 to 0.79 says that the adequacy is middling. Hence the sampling adequacy for items of Independent variable and dependent variable is middling. Stating it is acceptable.

Rotated Component Matrix					
	Component				
	1	2	3	4	5
proper	.864				
ethical	.802				
going	.791				
unexpected	.632				
growth	.546				
decision		.874			
supervisor		.853			
fairly		.731			
adequately			.763		
expected			.672		
adequate			.661		
growths			.549		
team				.849	
treated				.705	
relationship				.703	
infrastructure					.786
proud					.700

The 17 items of 5 variables are taken into factor analysis using the scree plot. Resulting to a table above. Which shows the 17 items is condensed is grouped in 5 under 5 different variables suppressed by the value 100. The

variables which have more significance are working environment, decision making, training and development, supervisor and co-worker relationship, image of the organization

VARIABLE	Z- TEST
Working environment	2.80
Decision making	-1.30
Training and Development	3.34
Supervisor and co-worker relationship	2.40
Image of the organization	3.64

The Z calculated is greater than 1.96 (95% CL) in case of work environment, image of the organisation, supervisor and co-worker relationship, training and development on employee engagement. Hence null hypothesis is rejected. Therefore there is a significance influence of these variables on Employee Engagement. Whereas in case of Decision making the Z calculated is less than 1.96 (95% CL). Hence null hypothesis is accepted. Therefore there is no significance influence of Decision making on Employee Engagement

FINDINGS OF THE STUDY

There is positive relationship between work environment, image of the organisation, supervisor and co-worker relationship, training and development on employee engagement. Decision making has no significance influence on employee engagement.

CONCLUSION

The study hence concludes that raising and maintaining employee engagement lies in the hands of an organization and organization has to provide good work environment and training and development to all employees, it is also important to maintain reputed organisational image, organization should make their employees feel their important to the organization success by involving them in decision making and the supervisor and co-worker relationship must be in good condition for the successful endeavour.

RECOMMENDATIONS

1. Employees spend large portion of their time in the workplace. The practices in the workplace can affect their attitude and ultimately their performance. Therefore, organizations have to create happy working environment where employees enjoy their work life. The good work environment, basic incentives and pay, frequent training and development of employees, involvement of employees indecision making, provision of clear set of policies and procedures, cordial supervisor and co-worker relation and ethical image of the organisation are the key factors driving employee engagement in HDFC bank.
2. Other than the above practices, company can also include monthly and annual staff awards for well

performing employees, organizing cultural and sports day for employee's family so that employees feel valued, employee suggestion system, problem solving committee, creating a culture of fun and spark at workplace, birthday and anniversaries celebration of employees, quick response system for all employee related issues. These practices can lead to improved employee engagement.

3. Employee engagement is not something that simply just happens; it only develops in organization that really cares for employees and their wellbeing. Measuring and assessing employee engagement accurately is important, any organization should understand in depth what drives employee engagement in their organization. Identifying the areas on which organizations can focus to increase levels of employee engagement will provide organizations with direction for their organizational strategies.

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