



## A study of employee engagement in State Bank of India with special reference to, Raipur region

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### Abstract

The major issues linked with employee engagement in an Indian Public sector bank such as State bank of India are a constant source of discussion presently. Employee engagement, considered as the stronger predictor of positive organizational performance. This research paper attempts to explore how employee engagement could measure and track successfully in this current era. Through measurement of employee engagement, we can quickly generate reliable employee feedback data which can help in action planning regarding change, growth, and communication. Increasing engagement in employees has become the highest priority because when employees get engaged then they adopt the vision values and purpose of the organization whom they are working for. So, this paper identifies possible scenario of an employee engagement present condition in state Bank of India. Further, this study points to the fact that appositively engaged employee performs to the best of his/her capability and is an asset to the organization and the organization tries to retain them.

**Keywords:** State Bank of India, employee engagement, job satisfaction, employee retention

### Introduction

Indian banking sector is the mandatory part of our Indian financial system, which has undergone adequate change ever since liberalization, privatization, and globalization. In India, there are many and verifying financial institutions likes banks in both sectors public and private. Indian banks are controlled and governed by Reserve Bank of India and Ministry of Finance and Government of India has majority stake (i.e. more than 50%) in public sector banks. There are 12 public sector banks with State bank of India being the oldest is the most trusted public sector bank in India both in rural and urban areas.

Management of people and management of risk these are the two key challenges facing State Bank of India and its branches. How they manage the people and how they administer the risk that determines their success in the banking industry. Efficient risk management may not be possible without an active, skilled workforce. "In India business of banking sector has been and always been a People's Business." The pricing is most crucial, but still, there are many other valid reasons why people choose and stay with State Bank of India for the lifetime. These other legitimate reasons are core values of banks, values such as sound, reliable, innovative, close, socially responsible and Indian, etc. But these values need to be prioritizing through precise actions, and it would only positively be delivered to the customer by the appropriate skilled workforce in the bank's branches. In the present era, in banking, everything is based on employees and employee engagement plays a crucial role in public sector banks, the employees today are handling high-level task daily into their jobs. Some engage while some of them disengage due to various reasons like improper working conditions, employer relationship and stress and so on. This research paper is trying to address all employee engagement problems which are being faced by the current working employees and filling the existing gaps in employee engagement in State Bank of India.

### Justification of the study

This study has the potential to contribute to the body of knowledge about Employee Engagement that may lead to understanding the need for job satisfaction and retention of employees in State Bank of India Branches. This study is researchable because it asks specific questions and has variables that can be measured. This study is feasible because it can implement in a reasonable amount of time, subjects are available, and concepts in the theoretical frameworks can be measured. The primary or chief purpose of present study is to explore employee engagement level in State Bank of India. It helps in exploring the issues related to performance in Indian Public Sector banking. This study is supposed to find out the existing public banks talent scenario so as to analyze its emerging challenges and trends. This study confirms that when employees are totally positively engaged in their work, it leads to satisfaction and when employee is satisfied and performing well. the organization tries to retain them.

### Objectives of the study

1. To identify and evaluate the employee engagement level in State Bank of India.
2. To identify the level of job satisfaction and retention in banks' employees.
3. To analyze the impact of employee engagement on the performance of banks' employees.

### Literature review

#### 1. Employee engagement

The Employee Engagement term first introduced by William Kahn in 1990. This condition based on Kahn's observations that people have a choice as to how much of themselves they're willing to invest in their jobs. (Kahn, 1990) [5] Explored work conditions in which the employees always remained either personally engaged or individually disengaged. (Ellis *et al.*, 2007) [3] Recommend two-dimensional definition of engagement which defines who is engaged the employee in any organization- first who knows

what to do at work in the organization and second who wants to do the job in the organization. As this definition shows, engagement should always be specified and determine for productivity context. These two aspects of employee engagement imperative for driving productivity of any organization, every organization needs for development and execution of strategies like employee engagement that have led to increasing efficiency of employees. An engaged employee is emotionally and psychologically invested in the success of the organization and brings about a certain level of passion and commitment to the job and looks for meaning in work and strives for a legacy of achievement and to achieve fruitful results (Scott, 2012) <sup>[13]</sup>. Engaged Employees considered as key drivers of the organization in this competitive era. Engaged employees are deemed to be the most valuable asset of business because they can be a deciding factor of a successful organization. The highest level of engagement in firms helps in promoting employee retention, the loyalty of the customer, organizational performance and value of stakeholders (Lockwood, 2007) <sup>[6]</sup>.

## 2. Job satisfaction

Job Satisfaction refers to the attributes and emotions or feelings of people which they have regarding their work. This attitude divided in two attitudes positive and adverse, positive attitude considered as favorable because it indicates job satisfaction on the other hand negative attitude considered as unfavorable because it indicates job dissatisfaction. In organization when employees feel a higher degree of achievement then they intensely involved in their tasks, and they somewhat compensated by recognition on time than the level of satisfaction regarding job will be enhanced. A satisfied employee might be perfectly content to punch in and out, performing his assigned job and nothing more (Scott, 2012) <sup>[13]</sup>. Job satisfaction helps in identifying the level of employee engagement and also explains that how much engage are employees who are experiencing the higher level of job satisfaction. Employee engagement considered as the final result of job satisfaction. Employees who are not able to get high levels of job satisfaction are disengaged employees; they are not excited to contribute their efforts in the success of the organization (Hagedorn, 2000) <sup>[4]</sup>. In immediate scenario satisfaction considered as most important goal for all organizations to reach, as it has shown that profitability, productivity, employee retention and customer satisfaction linked to employee' level of satisfaction with their organization. Satisfied employees can establish the greater level of customer satisfaction and positively boosts the performance level of employees (Wan, 2007).

## 3. Employee retention

Employee retention is also the biggest concern these days in terms of skills management like maintaining and developing the necessary level of competence which is majorly required to achieve organizational and business objectives, because when skilled employee leaves then organization loses skills, that becomes a major issue today it causes low productivity and profitability (Parthasarathy and Zimmermann, 2012) <sup>[9]</sup>. The highest level of engagement in firms helps in promoting employee retention, organizational performance and value of stakeholders (Lockwood, 2007) <sup>[6]</sup>. Retention considered

the money saver to talent management (Wright, 2014) <sup>[15]</sup>. It helps organizations to attract skilled employees and reduce the cost of losing good employees. Mainly, employees leave organizations because of reduced salary or benefits in current organizations or search for a better opportunity and positive organizational culture. Flexible working environment, incentives, promotion, training & development and career development programs known as retention tools, these tools helps to boost retention (Rokos, 2015) <sup>[10]</sup>. Companies receive benefits from retaining high-skilled employee because high skilled workers increase output level which helps in increasing productivity of organizations (O'Boyle and Aguinis, 2012) <sup>[8]</sup>. Skilled employees need attention from their supervisors for being productive because that recognition provides employees with the feeling of being valued in the organization and increased positive emotions, positive emotions considered the cause of greater retention, and it overall improves employee's performance. Attention from top level managers has also given as a retention tool to value creating human capital, that provides credible commitments regarding organizations' projects (Wulf and Singh, 2011) <sup>[16]</sup>.

## 4. Methodology

Given the exploratory nature of the research, a mixed method approach was followed for investigation, which included a self-reporting questionnaire and possible secondary sources. The study had been conducted in 2018-2019 in the State Bank of India in Raipur region.

## 5. Sample

The study aims to determine the level of employee engagement and to identify the key predictors of Employee Engagement among the Non-Managerial executive level employees of State Bank of India in Raipur region. All constructs were measured at the individual level. Whenever possible, the instrument was used to operationalize the constructs which were adopted from past researches. The population considered for this research consisted of 300 employees who belong to fifty-five Branches of SBI in Raipur region. The present study is confined to a sampling unit i.e. 'Non-managerial executive level employees' such as clerks, associates, cashiers and accountants as they are in direct touch with the customers and represents the Bank to the customers. They account for 80 to 90 percent of total employees in selected region under study. The sample consists of 104 employees form targeted population. A questionnaire was so designed as to grade the responses of the employees based on the degree of their agreement. In designing the questionnaire, a 5- point Likert scale (strongly disagree to strongly agree) was used to reduce the statistical problems of extreme skewness (Fornell, 1992). The format and content of the questionnaire were pre-tested and validated with the experts in the field and relevant literature. All responses of employees were collected personally. The findings from percentage analysis revealed that majority of the respondents were aged between 26 and 35 years in terms of age. Fifty six percent of the employees were males and the rest were females and majority of these respondents had a graduate degree to their credit. Since, most branches in the region have similar employee distributions this is a typical sample of this region.

**6. Measures**

In the first phase of the research, Gallup q12, known as the Gallup Work Place Audit (Buckingham and Coffman, 1999) [2] was taken up as the measure of employee engagement, as it is established as a suitable instrument to measure employee engagement. These 12 questions of Gallup (2012) can show as psychological mountain climb that employees make from the moment, they assume a new role to the time they get fully engaged in that role and want to make things better, to learn, to grow, to innovate. These questions measure the employee engagement, Job satisfaction and Employee Retention. This scale confirms that when we are totally positively engaged in our work, it leads to satisfaction and when employee is satisfied and performing well. The organization tries to retain them. These 12 questions are enumerated as follows:-

- 1. Do you know what is expected of you at work?**  
It addresses one’s ability to understand their place within an organization’s team. Do you know how your role is defined? Are you aware of your responsibilities on any given day?
- 2. Do you have materials and equipment to do your work right?**  
Without the proper tools at your disposal, you cannot do your job to the highest degree possible. This question is meant to address discrepancies between what you have and what you need.
- 3. At work, do you have the opportunity to do what you do best every day?**  
Are you regulated to a set of tasks that don’t effectively utilize your unique set of skills? This question uncovers if you are in the appropriate area and if the company understands how to maximize the efforts of their employees by building on their strengths.
- 4. In the last seven days have you received recognition or praise for doing good work?**  
This question focusses on your company’s ability to pinpoint and highlight outstanding individual contributions,
- 5. Does your supervisor, or someone at work, seem to care about you as a person?**  
Sadly, some organizations see their workforce as nothing but labor. This question aims to uncover how emotionally engaged the leaders in your organization already are.
- 6. Is there someone at work who encourages your development?**  
Is there an encouraging presence within your team or

does everyone go about their own business on any given day? Without effective leadership or an encouraging atmosphere, engagement cannot thrive because it is not conducive to such conditions,

- 7. At work, do your opinions seems to count?**  
Do leaders take your thoughts and opinions into consideration? This question looks at whether everyone is headed in the same direction or just along for the ride when it comes to brand goals.
- 8. Does the mission / purpose of your company make you feel that your job is important?**  
How well do you relate to the of your organization? If you aren’t in full agreement with where the company wants to go and the role you play in helping them get there, engagement is doomed to fall because there’s nothing ot strive for in the long-term.
- 9. Are your associates (fellow employees) committed to doing quality work?**  
Are you making up for the lack of effort your fellow team members employ or does your team work in unison ot ensure everyone can complete their tasks at the highest levels possible? Those around you play an active role in your belief of the company itself.
- 10. Do you have a best friend at work?**  
Relationships are important and act as an encouraging sign that a team is working as one. If everyone in the organization operates on a different wavelength, it will ultimately hinder the team’s ability to cooperate as a whole.
- 11. In last six months, has someone at work talked to you about your progress?**  
Metrics and statistics are important, especially as they relate to job performance. If you are doing something wrong, yet no one tells you. It’s wrong, you are doomed tyo continue repeating the same mistake. By checking in with and encouraging personal growth, team members can maintain more realistic workplace goals.
- 12. In the last year have you had opportunities to learn and grow?**  
This question is designed to uncover your organization’s current engagement levels, as they relate to continued training and education. During research, the questions of the above questionnaire were modified according to the job profile of bank employees and they were asked to rate each item by using a Likert five-point rating scale Strongly Disagree (=1), Disagree (=2), Neutral (=3), Agree (=4), Strongly Agree (=5).

**Table 1:** Scale reliability and validity

zz	Construct items (measured)	Factor loading	Mean for the scale	SD for the scale	Cronbach's alpha
1	I am well acquainted/familiar with my job profile and processes.	.726	4.29	.855	
2	The resources are easily available to make the processes effective.	.540	4.02	.763	
3	The bank provides good opportunities on the overall learning, training and development of the employees	.438	4.33	.806	
4	The bank provides rewarding performance based incentives and appraisals with promising rewards and recognition	.655	3.73	1.026	

5	The leadership and immediate supervisors are cooperative and encouraging	.683	3.90	.887	
6	My manager encourages me to perform better and provides full support	.696	4.26	.881	
					.82 > .70
7	When required, my opinion/feedback counts to the management in decision making for further improvements	.737	3.61	.999	
8	As an employee, I feel responsible and committed towards my job	.539	4.56	.537	
9	The internal communication and work collaboration in all processes is worthwhile	.664	3.98	.710	
10	The coworkers are friendly and cooperative and believe in teamwork	.691	3.92	.733	
11	Bank supports in career advancement and education	.771	3.73	1.036	
12	There is fair treatment among all employees and equal opportunities are provided to perform irrespective of any demographical differences	.742	3.84	1.089	

**Table 2:** Goodness-of-fit test

Chi-Square	Df	Sig.
46.231 <sup>a</sup>	17	0.000

a. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 5.8.

**Table 3:** KMO and bartlett's test

<b>Kaiser-Meyer-Olkin measure of sampling adequacy.</b>		<b>.735</b>
Bartlett's Test of Sphericity	Approx. Chi-Square	542.171
	Df	66
	Sig.	.000

**Table 4:** Total variance explained

Component	Total Variance Explained								
	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.400	36.667	36.667	4.400	36.667	36.667	2.958	24.650	24.650
2	1.794	14.952	51.620	1.794	14.952	51.620	2.740	22.832	47.483
3	1.687	14.062	65.682	1.687	14.062	65.682	2.184	18.199	65.682
4	.773	6.439	72.121						
5	.742	6.187	78.308						
6	.578	4.819	83.128						
7	.572	4.763	87.891						
8	.412	3.437	91.328						
9	.358	2.986	94.314						
10	.306	2.549	96.863						
11	.210	1.747	98.610						
12	.167	1.390	100.000						

Extraction Method: Principal Component Analysis.

**Analysis**

The validity and reliability of scale of items proved positively; these are given in Table 1 moreover validity of items; the inter-item consistency of Gallup q12 reported .82 (Cronbach alpha > .70) (See Table 1). It presents excellent construct reliability which ultimately indicates high internal consistency. The minimum satisfactory value of Cronbach alpha considers as 0.70.

After the analysis of Reliability and validity of items, we applied exploratory factor analysis (EFA) on Gallup q12. The primary purpose of EFA was to determine the condition of links between variables through Principal Component Analysis along with varimax rotation executed for extracting factors through SPSS 22 software. A minimum cut-off criterion for the deletion of the items was (.45), and the appropriateness of analysis determined by the examination of Kaiser-Meyer-Olkin (KMO) statistics of sampling adequacy and for real factor analysis the value of KMO must be at least .60 and above. The 12 factors accounted for 66 percent variance in the analyzed items, and KMO measure was 0.735 (See Table 3), indicated good factor analysis. All communalities ranged from 0.43 to 0.77. We have done chi-square goodness of fit test to know how well fit the set of observations, it epitomizes the variation between observed sample distribution and expected probability distribution in the research study.

**Discussion**

The findings from analysis revealed that majority of the respondents were aged between 26 and 35 years in terms of age. Fifty six percent of the employees were males and the rest were females and majority of these respondents had a graduate degree to their credit. The responses to 12 questions revealed that majority of respondents agreed to the fact that the resources in State Bank of India Branches are easily available to make the banking processes effective. It is also agreed that the public sector bank is providing opportunities for overall learning, training and development of employees. Further, the immediate superiors, co-workers and managers are very cooperative and ample opportunities are being provided in public sector banks to the employees and the employees were satisfied with their assigned tasks

**Conclusion**

1. This study confirms that when employees are totally positively engaged in their work, it leads to satisfaction and when employee is satisfied and performing well. the organization tries to retain them. Further, a sense of pride and trust on management was observed among the employees regarding their positions in public sector banks which was reflected in their job performance

**2. Theoretical implications**

There are theoretical implications for the concept of employee engagement. The concept has been the

convergence of many practitioner and academic studies. The action research perspective of organizations points to look at employee engagement, and every few academics studies have pinpointed into the general and operational perspective of employee engagement. At the numerical level, there seems to construct contagion from the fields of satisfaction, the commitment of employees, organizational transformation, and involvement that considered as the scope of this paper. Future studies in public sector banks of India may look into this area and construct an independent scale of employee engagement focusing on and testing the antecedent variables, more precisely for the theoretical foundation. It seems pronounced that engaged employees are more productive than their disengaged employees. Satisfaction and engagement are mutual to essential business outcomes at a momentous that is relevant to all organizations which are the base of organizational transformation.

### 3. Practical implications

The practical implications which created after reasonable inspection in State Bank of India branches are as follows: Employee engagement strategies may imply many human resource implications for public sector banks in India should create an identification of an engaged employees at all levels and staff who are passionate about continuous learning and challenges and enthusiastic towards the continuous positive employee relationship. They also need to establish a stronger psychological contract which should be based on relational needs of employees rather than transactional (Rousseau, 2004) [11]. The bank should appoint some mentors who take care and nurture relationship regarding quality instead of quantity, the mentor who takes care of emotional needs of employees as well. The bank should also treat employees as creators of organizational transformation and consider employees as partners in the business and help them in achieving the level of satisfaction and creating and successfully fulfilling the new area of business intuition.

These implications help to boost the growth aspects of employees. The banking sector is becoming extremely competitive and customer oriented. State Bank of India face more competition regarding rewards, remuneration and selection procedures at par with private sector banks. State Bank of India should recruit employees according to their skill and also provide rewards because that will help to gain extraordinary talent from employees. Job rotations and promotions should give according to the performance of employees. That will help employees to provide the platform to perform well and encourage growth for the potential (Bist and Shrivastava, 2013) [1].

An important implication is in present HR situation, the internal job posting process has clearly outlined, and a specific system of selecting candidates has to communicate clearly, and the criteria for selection of employees should be clearly arrived and stated explicitly to employees. In organization through selection, we can create the cadre of engaged employees begins; it helps to provide the precise position to employees according to their capabilities and skills when employees feel comfortable with their roles and positions and they feel fit in the organizational culture. Every organization recognize their employment brands corporate reputations they consider as critical factors in engaging current employees, and also focus on training and development, career paths and the opportunity for

employees for career advancement these things create enthusiasm in mind of employees and then they feel engaged with organizations and perform their duties with full dedication (Tucker and Williams, 2011) [14]. The most concerted effort should be made to ensure internal job postings take place to ascertain that employees have a growth path in the organization. The process should be put in place to check that the career aspirations of employees are clearly understood, and job roles defined with as close an alignment to career goals as possible. There is some evidence which shows the mismatch between the expectations of employees and the roles and profiles offered by an organization; public banks need to take some steps to remove this mismatch by better internal communication from selection level to training and development. That would moderate attrition rate of employees.

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