

EMPLOYEE ENGAGEMENT-A STUDY OF EMPLOYEES OF DCCBS OF MAHARASHTRA STATE

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Abstract

Employee engagement is the level of commitment and involvement an employee has towards their organization and its values. An engaged employee is aware of business context, and works with colleagues to improve performance within the job for the benefit of the organization. In current scenario District Central Cooperative Banks (DCCBs) are having major challenges, for this employee engagement is most important. In this paper an attempt has been made to understand the concept of employee engagement and to find out the level of engagement in these organizations where the employee engagement is unusual, the findings have been presented in this paper.

Key words : Aspects of Employee Engagement, Individual contribution, Profitability, Satisfaction.

INTRODUCTION

In the current scenario, every organization has to strive to increase its profits, improve the quality of goods and services and customer satisfaction with optimum resources. The 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 get the winning edge over competitors. Organizations need the committed participation of a good majority of people so that the effectiveness and efficiency of the organization could be enhanced.

31 DCCBs are there in Maharashtra. As on 2009-10 total membership is 123020, deposit of Rs 4357343, (in lakhs) total loan disbursed during 2009-10 is Rs2227679 (Rs in lakhs), total employees are 26471, total profit is Rs 47,457(in lakhs) and loss is Rs.57,617(in lakhs). This data shows that there is huge loss in DCCB's and one of the reasons may be unusual practice of the employee engagement. In the last couple of years, all business organizations have realized that salaries are important to employees, but compensation alone cannot motivate the highly skilled and experienced workforce. Managers would agree upon the fact that employees make a critical difference when it comes to organizational performance, innovation and thus ultimately business success. Employee's role has become crucial as there is a shift from industrial to knowledge based society. The HR managers are laying the road map for the right working conditions which would inspire the employees to be engaged, give their best, go their

extra mile and persist in the face of difficulties. The challenges faced by the management is therefore not just in retaining the talented employees, but in engaging them. Thus the HR coined the term "Employee Engagement" when the organization takes measures for an engaged workforce, the profit and the productivity spikes.

LITERATURE REVIEW

Eminent academicians and corporate research agencies have been defined the concept of employee engagement. Some of the practitioner oriented definitions are given below:

William H. Kahn (1990) completed some of the earliest work on engagement and defined engagement as, "the harnessing of organization members' selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances."

Melcrum Publishing recently produced a research report, "Employee Engagement: How to build a high performance workforce" that provides a very comprehensive review on the current state of employee engagement (Shaw, 2005). The author of Melcrum's report, Kieron Shaw (2005), highlights multiple definitions of employee engagement. For the purpose of his research, Shaw (2005) also created a definition of employee engagement, which is, "translating employee potential into employee performance and business success" and thus "changing the way employees perform by utilizing the tools in the armory of internal communication professionals."

Employee engagement has also been conceptualized into two dimensions: Cognitive Engagement - the extent to which the worker is aware of his mission at work and his role in the organization - and Emotional Engagement or physical engagement - the extent to which the worker empathizes with others at work and connects meaningfully with his or her co-worker (Kahn, 1990, 1992). Luthans & Peterson, 2002). High engagement on each dimension is predictive of high overall engagement for an employee (Kahn, 1990; Bhatnagar, 2007).

Miles (2001) described it as intensively involving all employees in high-engagement cascades that create understanding, dialogue, feedback and accountability, empower people to creatively align their subunits, teams and individual jobs with the major transformation of the whole enterprise. 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 because they see mutual benefits of investing in their relationship. (Tripathy, 2007)

ASPECTS OF EMPLOYEE ENGAGEMENT

Three basic aspects of employee engagement according to the global studies are:-

- The employees and their own unique psychological makeup and experience
- The employers and their ability to create the conditions that promote employee engagement
- Interaction between employees at all levels.

Thus it is largely the organization's responsibility to create an environment and culture conducive to this partnership, and a win-win equation.

DRIVERS OF EMPLOYEE ENGAGEMENT

Many of the research studies tried to identify what are the driving forces of employees to make them engage. The Training Foundation (Mitchell et al 2010) cite the following drivers as key to employee engagement:

- senior leadership communication and visibility
- good-quality line management
- clear vision/line of sight
- voice - opportunity to share ideas and opinions and input into decision-making
- development opportunities
- being ethical - treating individuals with respect, fairness and showing integrity

- Organisation demonstrating care and concern for employee well-being.

IMPORTANCE OF EMPLOYEE ENGAGEMENT

A highly engaged employee will consistently deliver beyond expectations. In the workplace research on employee engagement (Harter, Schmidt & Hayes, 2002) have repeatedly asked employees 'whether they have the opportunity to do what they do best every day. An organization's 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:

- ❖ Engaged employees will stay with the organization, be an advocate of the organization and its products and services, and contribute to bottom line business success.
- ❖ They will normally perform better and are more motivated.
- ❖ There is a significant link between employee engagement and profitability.
- ❖ They form an emotional connection with the organization. This impacts their attitude towards the organization's clients, and thereby improves customer satisfaction and service levels
- ❖ It builds passion, commitment and alignment with the organization's strategies and goals
- ❖ Increases employees' trust in the organization
- ❖ Creates a sense of loyalty in a competitive environment
- ❖ Provides a high-energy working environment
- ❖ Boosts business growth
- ❖ Makes the employees effective brand ambassadors for the organization.

OBJECTIVES OF THE RESEARCH

Engaging employees of an organization is critical to the organization's success. Human Resource is neglected by DCCBs. They are service based as revenues are directly proportional to a number of engaged workforce in the organization. A research has suggested that investment in employee engagement activities significantly improves the overall performance of the business unit. Considering this the following objectives are framed to conduct the study. The research objectives are as follows:

- To find out the level of employee engagement
- To develop a management competency framework for enhancing employee engagement that can be used to

give managers clear guidance on what they need to do, in order to foster high levels of employee engagement in the workplace.

METHODOLOGY

Four factual questions to ascertain details of respondent such as sex, education, designation and length of service were given to 121 employees from 21 District Central Cooperative Banks of Maharashtra state, out of which 109 were male employees, 12 were female employees with 10 to 40 years of work experience. The District Central cooperative banks are short term cooperative credit structures of India and the major financing of this is to rural area where the employee engagement activities were unusual. A survey was done with the help of globally accepted structured questionnaire on employee engagement given to 121 employees of District Central Cooperative banks of Maharashtra state regarding their engagement in organization. Close ended questions were given to

respondents from which the respondents had to select the suitable choice (ranging from Strongly Agree to Strongly Disagree).

FINDINGS

Table 1 indicates the percentage of the sample drawn based on gender. In terms of age, 90% of respondents were male and, 9.92% were female. It was found that in terms of qualification, 9.92% respondents were SSC, 11.57% were HSC, 61.98% of the respondents were graduates and 16.53% were post-graduates. It was found that in terms of designation 62.81% respondents were branch managers, 14.88% were officers, 14.88% were junior officers and 14.05% were clerks. It was found that in terms work experience 9.09% of the respondents had experience up to 10 years, 40.50% were between 10 to 20 years, 41.32% were between 20 to 30 years and 0.09% were above 30 years. These indicate the length of service of the employees in the current organization they were employed in.

TABLE: 1 BACKGROUND PROFILE OF THE SAMPLE (N=121)

Demographic variables		Respondents numbers	Percentage
Gender	Male	109	90.08%
	Female	12	9.92%
	Total	121	100%
Qualification	SSC	12	9.92%
	HSC	14	11.57%
	graduation	75	61.98%
	post-graduation	20	16.53%
	Total	121	100%
Designation	Br.Manager	76	62.81%
	officers	18	14.88%
	Jr Junior. officer	17	14.05%
	Clerks	10	8.26%
	Total	12	100%
Total Work Experience	Up to 10 years	11	9.09%
	10 to 20 years	49	40.50%
	20 to 30 years	50	41.32%
	Above 30 years	11	0.09%
	Total	121	100%

Figure 1 shows Employees who indicated that their organizations were one of the best performers reported double the level of engagement compared to employees who reported average organizational performance. 44.63% of those who saw their organizations as top performers were highly engaged while 19.83% of those who reported their organizations as under-performing were engaged. It is

important for an organization to find ways to clearly communicate successes that demonstrates how the organization is performing. Employees not only see the connection between their work and their success but also understand how they support overall organizational performance which directly impact engagement levels.

Figure 1. % of Engaged Employees

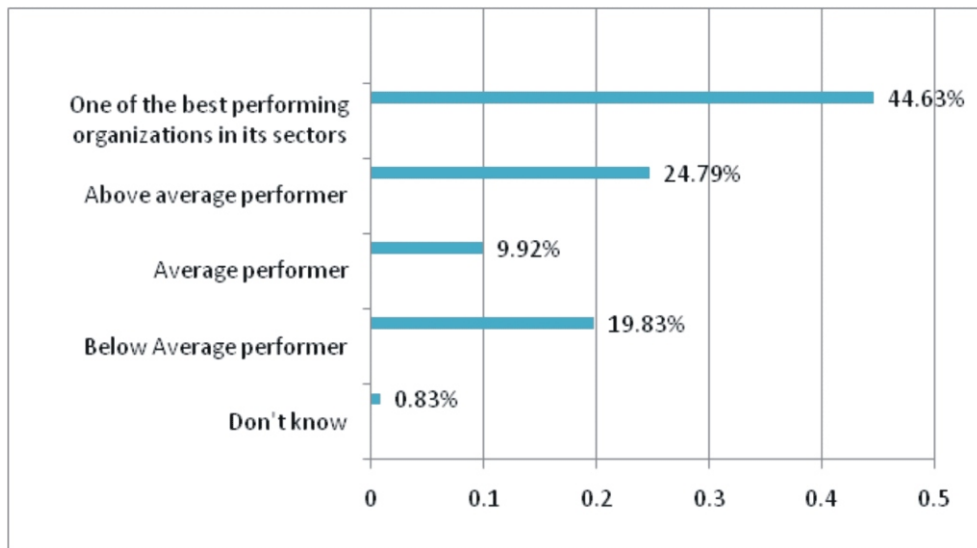


Figure 1. Employee Engagement by Financial Performance (Source: Employee Engagement by Right Management)

KEY DRIVERS OF EMPLOYEE ENGAGEMENT

One of the key drivers of employee engagement is job and organization. The Table 2 shows that majority respondents are most satisfied regarding clear communication of goals,

expectation of work and continue to work in the same organization. Regarding pay, organization policies, communication and fair job promotion, majority of respondents are least satisfied.

Table -2- job and organization

Key drivers	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
Clear communication of goals expectation of work	45 37.19%	64 52.89%	2 1.65%	2 1.65%	8 6.61%
pay and benefits	22 18.18%	26 21.49%	10 8.26%	28 23.14%	35 28.93%
organization polices clearly communicated	14 11.57%	23 19.01%	7 5.79%	33 27.27%	44 36.36%
job promotions fair and objective	19 15.70%	20 16.53%	7 5.79%	30 24.79%	45 37.19%
continuing to work in the same organization	65 53.72%	33 27.27%	6 4.96%	9 7.44%	8 6.61%

Table 3 indicates the individual contribution as key driver of employee engagement. Majority of respondents were positive in the factors of employee input, recognition and relationship with boss, workplace culture and good team

environment. Majority of respondents were negative in the factors of employee involvement in decision making and understanding the job and organization goals

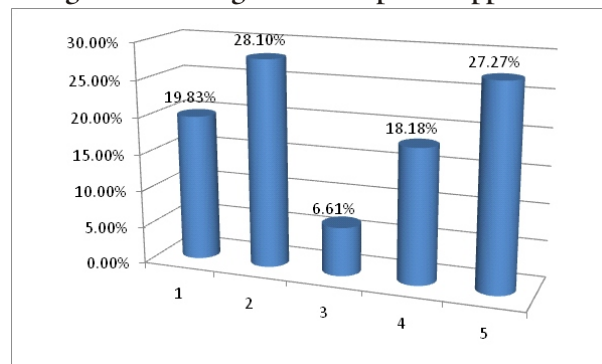
Table -3individual contribution

Key drivers	strongly agree	agree	neither agree nor disagree	disagree	strongly disagree
Employee input	42 34.71%	54 44.63%	7 5.79%	15 12.40%	3 2.48%
Recognition	34 28.10%	66 54.55%	4 3.31%	9 7.44%	8 6.61%
Relationship with boss	36 29.75%	48 39.67%	6 4.96%	19 15.70%	12 9.92%
Workplace culture/morale	33 27.27%	33 27.27%	9 7.44%	24 19.83%	22 18.18%
Employee involvement in decision making	17 14.05%	42 34.71%	17 14.05%	16 13.22%	29 23.97%
Understanding of job and how it contributes to overall organization goals	69 57.02%	39 32.23%	0 0.00%	6 4.96%	7 5.79%
Good team environment	50 41.32%	50 41.32%	4 3.31%	4 10.74%	13 10.74%

The research inquired to find out learning and development opportunities to the respondents. The result of research showed in figure 2 ,

19.83% respondents strongly agreed and 27.27% respondents were strongly disagreed

Figure2-Learning and development opportunities



DISCUSSION AND IMPLICATION

This study shows that in District Central Cooperative Banks (DCCBs) there is low level of employee engagement, for example, highest significant drives like pay benefits, clear communication of organization policies to the employee's, fair job promotions, employee involvement in decision making and learning and development opportunities. The DCCBs management should make implementable HR policies which are absent in the organizations. In the current scenario, in banking sector it is very common having HR Policies which are taking care of HR issues. Therefore it should not be surprising to find out employees were dissatisfied. According to Vazirani (2007) "an organisation should have a proper pay system, provide equal opportunities for growth and advancement to all the employees, only a satisfied employee can become an engaged employee, organisations with high levels of engagement provide employees with opportunities to develop their abilities, learn new skills, acquire new knowledge and realise their potential. When organisations plan for the career paths of their employees and invest in them, in this way their people invest back in the organisations". Greenberg (2004) claims that there is a link between employee engagement and profitability. Employee engagement is critical to any organisation that seeks not only to retain valued employees, but also increase its level of performance.

The research also highlights that drivers like expectation of work, employee input, recognition of work, relationship with boss, work place culture, understanding of job, good team environment and continuing to work in the same organization indicate the high level of engagement. Management of DCCB should search for ways to increase the employee engagement activities to increase the frequency and intensity of Engagement levels among employees which would bring superior business results.

LIMITATIONS

The primary limitation of this study is the only 12 DCCB of Maharashtra were taken for study and only 121 samples were selected so there are chances for biases in the reports. A respondent where the employee engagement is unusual is considered for the study. This factor could be one reason for the moderate level of employee engagement of the employees.

SUGGESTIONS FOR FURTHER RESEARCH

The limitation in this research suggests several prospects for future research. Different organizations have different needs, and levels of Employee Engagement may vary according to their specific organization. As this work focuses on DCCB only, it may lack validity in other organizations. However employee engagement is critical to other organizations as well, understanding their relationship in other organization is surely a good subject for research.

CONCLUSION

Employee Engagement is critical to business success. This has to be understood by the management of DCCBs. This study had brought in a new variable employee engagement which is unusual in DCCBs. The management should understand the importance of employee engagement, that unlike other business organizations various studies reveal a significant relationship between employee engagement and business outcomes and performance of any business organization. In the current scenario the DCCBs have to comprehend that high levels of employee engagement will lead to improved employee commitment & involvement towards job thus creating a motivated workforce - that will work together to achieve the common goals of the organization. Highly engaged workforce will definitely make an organization more successful in terms of financial & nonfinancial parameters.

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