

## **A study on Effect of Employee Engagement on Job Performance**

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### **Abstract**

The term "employee engagement" describes a staff member's dedication and enthusiasm for their work and the company's mission. The purpose of this research is to investigate the relationship between employee engagement and job performance and to identify the factors that influence engagement. Considerations include compensation and benefits, workplace safety and health, annual reviews of employee performance, organisational success, two-way communication and leadership, a fair and effective grievance process, opportunities for advancement, and more. This study uses a causal and descriptive research design. A total of 150 employees of banks are surveyed using a predetermined questionnaire. Descriptive statistics, the Bonferroni post hoc and cross tabulation were used to examine the data. The survey found that most workers are pleased with their company's progress. It's clear that employee engagement, in all its forms, is having a beneficial effect on productivity in the workplace.

**Keywords:** Employee engagement, Bonferroni post hoc, descriptive statistic, employee performance

### **Introduction**

Organizations have attempted to develop various business approaches and Human resource policies for growth and survival in the commercial world from the beginnings of trade. Employees are one of an organization's most valuable assets. As a result, it's no surprise that businesses are willing to invest in their human capital these days. Employees must work hard and be accountable in order for a firm to achieve optimum success. Without a capable labour, nothing is possible.

Engagement, according to William Khan (1990), is defined as the "harnessing of organisation member selves to their work duties; through engagement, people express themselves socially, intellectually, and mentally." He goes on to say that engagement is not the same as work involvement, drive, or organisational dedication. Employee engagement is a characteristic of an organization's relationship with its personnel (Kiruthika, V. Kavitha, 2015). An "engaged employee," according to Wikipedia, is "someone who is entirely engrossed with and energetic about his profession and thus makes constructive moves to enhance the organization's notoriety and intrigues." If all else is equal, a connection with "high" engagement should be anticipated to outflank others with "low" engagement (Kiruthika, V. Kavitha, 2015).

Nonetheless, a variety of meanings have emerged around concepts associated with participation. The relationship, responsibility, and effectiveness of the labor have all been studied. Instead of seeking for goal techniques to quantify engagement, organisations have instead focused on the best way to create it. When looking at a section of the metrics introduced surrounding engagement, caution should be exercised along these lines. According to IES, engagement is defined as an executive's good attitude toward his workplace and its culture. The term "engagement" refers to a state in which leaders are entirely absorbed in their work and deeply attached to their organisation. Nothing can be accomplished unless and until one is committed to it. An executive must be dedicated to his or her work and view it as a challenge. Work should never get monotonous since it will become an unpleasant burden for the person. When people are bored and have nothing to do for the entire day, problems arise. They begin interfering in each other's work, which has a negative impact on the organisation. They start fighting with their coworkers and abandon almost everything. The executive must be assigned tough work that aligns with their interests, with the purpose of devoting the majority of their time to work rather than dallying and tattling. To guarantee that the juniors function effectively in their work assigned, seniors must nourish and pay attention to them. The employees must not consider their company to be a money-making machine. An association is a location where executives go to improve their skills and learn new things on a regular basis. To anticipate the same, one must value and love his business.

## **Theoretical background**

Alison M. Konard (2006) states that Engagement is reflected when executives communicate physically, psychologically and candidly while doing their work. He says that engagement is a three step concept. The cognitive aspect, which is what executives believe about the firm, their seniors and their working environment. Employee engagement is not a simple concept, but it is important for all the organizations to succeed. One practice that may be good enough for an organization and may bring very good results may not be good enough for other organizations. Thus, results of the same practice may vary among different organizations. However, the approach of engagement lies in adaptability, i.e. how easily can an organization change its practices according to the changing environment. The connection between executive involvement and turnover was investigated by Mary Lynn Berry and Michael I. Morris in 2008. A reasonable amount of turnover is seen as beneficial, while excessive turnover can result in significant financial losses for an organisation. Few studies have been conducted on the correlation between disengagement and the loss of talented executives, and the concept of "engagement" is still in its infancy. Robert Knight's (2011) inquiry into the general attitudes and involvement in the Topaz South Dublin administrative stations. Human Capital Management is explained in relation to the value of top-level participation. The information was compiled from a CIPD (2006) analysis of employee participation in the United Kingdom. This study explores the concept of involvement and seeks to understand its many forms, meanings, and underlying foundations. The impacts of incentives and motivation at both retail and commercial banks in Saudi Arabia were examined by Khawaja Jehanzeb et al. (2012). An official sample size of 568 people participated in the research. The study sought to examine the connection between incentives, inspiration, and contentment in the workplace. The findings demonstrated that (1) incentives improve motivation, (2) motivation contributes to job satisfaction, and (3) incentives improve job satisfaction. However, this study's findings are at odds with one another. with previous studies that tried to bring to light the relationship of rewards, inspiration and job fulfillment in various settings. The results and their implications for HRD were examined. Similar work may be seen in the work of Collins Badu Agyemang and Samuel Batcheson Ofei (2013), who analysed data

from commercial and government financial institutions. Particularly in the Sub-Saharan region, engagement is still relatively uncharted territory. The conclusions of this study are spoken about with regard to Job Demand- Resources Model and Social Exchange Theory. Because it has an effect on engagement and authoritative responsibility, the current study highlights the need to provide both monetary and non- monetary advantages to executives. Rizwan Qaiser Danish et al. (2014) intention is to explore the association of soul at work and executive engagement in the banks of Pakistan. Past writings have been studied. The tool used for data collection is a questionnaire. The study revealed that there exists a sure relationship between soul at work and engagement. The study also recommends that supervisors ought to present distinctive prizes and rewards to the workers as this would again lift their soul and help in increasing the engagement levels of the executives. The theories employed as the basis for this analysis were Kahn's Personal Engagement Theory, Equity Theory, and Herzberg's Two-Factor Theory of Job Satisfaction. Maha Ahmed and Zaki Dajani (2015) state that during the last two decades, employee engagement is focused area of research. Associations use diverse engagement building tools, keeping in mind the end goal to stay focused and enhance the financial prosperity of the firm.

*Based on the literature Review the following hypotheses are postulated*

- H1** Career advancement has positive influence on Employees Engagement
- H2** Health & safety has positive influence on Employees Engagement
- H3** Increment in salary has positive influence on Employees Engagement.
- H4** Work Environment has positive influence on Employees Engagement.
- H5** Training has positive influence on Employees Engagement.
- H6** Employees engagement has positive influence on job performance.
- H7** Job performance has positive influence on organisational commitment

## **Research Methodology**

### *Sources of Data Collection*

Both public and private banks participated in the research. Government and private sector leaders in banking were successfully targeted (based on performance, no. of clients, services etc.). ICICI Bank, HDFC Bank, IDBI Bank, Bandhan Bank and Axis Bank were all represented from the private sector. We used both main and secondary resources to compile our data. Employees were asked to fill out a standardised questionnaire that served as the primary source of information (lower, middle and managerial level). The information was compiled from secondary sources such as the Internet, printed books and journals, and periodicals devoted to finance. Eight cities in Uttar Pradesh were surveyed for this data set. The following cities in Uttar Pradesh were selected:, Agra, Varanasi, Meerut and Prayagraj. All bank personnel, whether public and private, are included, and the cities are selected based on population density.

### *Sampling Technique*

Cluster sampling was employed as the method of selection for the samples. In this strategy, clusters of the population are used as the basic units of sampling. All of the items in the chosen clusters are included in the sample in a single-stage design. Each primary sampling unit has a random subsample drawn from it in a two-stage plan.

The cities of Uttar Pradesh were used to generate three different clusters Kanpur, Lucknow, and Ghaziabad. In each city, a single branch from both the public and private banking sectors was analysed. These locations in several cities were chosen at random.

Workers were selected from the highest, medium, and lowest echelons. Purposeful sampling was used to choose the individuals that took part.

### ***Sample Size***

**For UP:**  $3 \times 3 \times 20 = 180$  (No. of cities\* no. of branches\* no. of employees). Private Sector Bank in each city = 5; Branch from each city = 3

Post scrutinizing the collected questionnaire it is found that out of 169 respondents, only 157 questionnaires were deemed to fit for further study. Hence the final sample size of 157 was taken.

### ***Final Sample Size***

Employees of Private Sector Banks = 157

### ***Scales Used in Study:***

#### ***Utrecht Work Engagement Scale***

The scale used for measurement of employee engagement is UWES (Utrecht Work Engagement Scale) developed by Wilmar Schaufeli and Arnold Bakker. Further the scale was modified according to the requirement of the study. This scale has three basic aspects of engagement i.e. vigor, dedication and absorption.

### ***Reliability Analysis of the Surveyed Response:***

This section determines the reliability coefficient i.e. Cronbach alpha for surveyed responses. The cronbach's alpha measures the internal consistency of the scale. It helps to determine how closely related are the items in the given scale i.e. whether they are measuring the same things or not. The cronbach alpha for the employee engagement was 0.843, which is quite good. Further for other organized factors such as Organized Commitment the c-alpha was 0.768, for communication it was 0.928, for work life balance it was 0.892, for employee satisfaction and employee recognition it was 0.86, for employee compensation it was 0.82, for training and development it was found to be 0.847.

### ***Tests used for analysis:***

For analysis descriptive statistics, Bonferroni post hoc test and multiple regression were used. The software used for data analysis was SPSS version 22.

Bonferroni post hoc test: It's a tool for assessing how one group's average compares to another.

E.g. The research focuses on the differences between diploma holders, college graduates, and graduate and postgraduate students. The Bonferroni post hoc test showed further that there was no statistically significant difference between the mean employee engagement scores of the junior and intermediate levels and the score of the senior levels of workers.

## **Results and Discussion**

The descriptive analysis of the question asked from the employees shows the data that, 58% employees were found highly satisfied with the overall compensation at the organization and 34% employees were found satisfied only 8% couldn't agree and were neutral whereas no employee were found dissatisfied as no respondent disagreed to the statement of career advancement in the organization. Hence, by the responses it can be said that employees working in the private banks in the three cities of Uttar Pradesh are satisfied with the overall career advancement and they are engaged in the task provided to them.

**Table 1 Reliability Statistics**

$\alpha$	No of items
.823	40

Cronbach's alpha .823, the standard value is at 0.7 it is over here it's highly reliable, so all the questions were found reliable.

**Table 2 Bonferroni post hoc Test**

Constructs	N	Mean	Std. deviation	t- test (Bonferroni post hoc)	Sig.
Career Advancement	157	4.57	1.67	3.85	0.01
Health & safety	157	4.30	1.42	6.33	0.05
Increment in salary	157	4.76	1.51	4.15	0.01
Work Environment	157	4.44	1.52	5.25	0.000
Training	157	4.53	1.50	5.79	0.000
Job Performance	157	4.55	1.69	3.54	.000
Organisational Commitment	157	4.64	1.54	4.22	.000

As can be seen in the table above, the test value of 0.01 is highly significant at the 0.05 level. Therefore, the hypothesis is accepted, meaning that managers at the organisation provide suitable training tailored to each employee's job description and that workers have a firm grasp on their professional trajectory. Thus, rising in rank is correlated with a more invested workforce, workplace safety is valued at the same level as output and quality, and salary increases are directly proportional to workers' contribution to the organization as a whole.

## Structural Model

Standardized estimate ( $\beta$ ) of path of structural model was significant ( $\beta = 0.698$ , t-value = 32.42, p 0.01) in favour of Hypothesis 1 (H1), which postulated a positive influence of career advancement on employee engagement. The standardised estimate of the path of the structural model did not support Hypothesis 2 (H2), which suggested a positive influence of health and safety on employee engagement ( $\beta = 0.526$ , t-value = 21.484, p 0.657). The Third Hypothesis (H3), the standardized

Estimate ( $\beta$ ) of the path of structural model was significant ( $\beta = 0.765$ , t-value = 20.912, p 0.01), lending credence to the hypothesis that raising salaries has a beneficial effect on morale. Standardized estimate ( $\beta$ ) of the path of the structural model was significant ( $\beta = 0.641$ , t-value = 18.835, p 0.01), lending credence to the null hypothesis that the work environment does not have a negative effect on employee engagement. The standardised estimate ( $\beta$ ) of the path of the structural model was significant ( $\beta = 0.452$ , t-value = 13.23, p 0.01), lending credence to Hypothesis 5 (H5) that training employees would have a beneficial effect on employee engagement. Standardized estimate ( $\beta$ ) of the path of structural was significant ( $\beta = 0.253$ , t-value = 14.241, p 0.01), lending credence to Hypothesis 6 (H6), which postulated a positive influence of employee engagement on job performance. The standardised estimate ( $\beta$ ) of the path of the structural model was statistically significant ( $\beta = 0.319$ , t-value = 16.678, p 0.01), indicating that the analysis of the structural model supported Hypothesis 7 (H7), which stated that job engagement has a positive influence on organisational commitment.

**Table 3** *Structural model results to examine the association between career advancement, health & safety, Increment in salary, work environment, training with employee engagement , job Performance and organisational commitment*

Hypotheses	Structural Path	S. E	Standardised estimate( $\beta$ )	t-value	p-value	Remark
H1	Career Advancement → Employee Engagement	0.024	0.698	32.42	0.01	Accepted
H2	Health & Safety → Employee Engagement	0.040	0.526	21.484	.657	Rejected
H3	Salary Increment → Employee Engagement	0.028	0.765	20.912	0.01	Accepted
H4	Work Environment → Employee Engagement	0.020	0.641	18.835	0.01	Accepted
H5	Training → Employee Engagement	0.044	0.452	13.230	0.01	Accepted
H6	Employee engagement → Job Performance	0.031	0.253	14.241	0.01	Accepted
H7	Job Performance → Organisational Commitment	0.022	0.319	16.678	0.01	Accepted

\* Significant at  $p < 0.05$ ; \*\*Significant at  $p < 0.01$ .

## Discussion

The opportunities for advancement in one's career were rated very highly by employees. Regular incentives and public acknowledgement are given to staff members who consistently deliver outstanding results. To a lesser extent than output and quality, health and safety in the workplace is seen as unimportant. After a positive performance review, employees are rewarded with a pay raise. The employees are pleased with the company's progress. However, strategies and policies to improve the workplace should be clearly communicated to staff. Workers have a positive attitude about their jobs there. Workers have everything they need to complete their tasks effectively. Workers receive excellent instruction from the company's management. Workers have confidence in their abilities and skills. Workers know where they stand in their respective careers. Managers provide employees with honest feedback on their performance. How much of an effect the Increment in pay has on how happy you are with your salary as a whole. Employees who agree with the practice of reward and recognition in the workplace and the aspect of performance appraisal are more likely to set and achieve ambitious goals, according to the study. Employers are concerned about employees' reactions to feedback from supervisors who are also providing training. Pay and working conditions are a "hygiene factor" rather than a "motivation factor," as Fredrick Herzberg demonstrated. In other

words, motivating drivers will become demotivating factors if they are handled poorly or perceived as unfair. Perhaps this is the culture of the banking industry in India. These results are supported by the fact that a sizable percentage of respondents have advanced degrees and are actively looking for work elsewhere. This view may help to explain why only 6.1% of the total variance can be attributed to employees' level of organisational commitment in this particular model.

The results of this study are in line with those of another that highlights the importance of human resources policies and practices (such as pay raises and educational opportunities) in shaping employees' initial impressions of, and long-term commitment to, their workplace. Positive job performance is evidence of employees' engagement and commitment at work, which in turn contributes to the high performance of the organisation and its ability to implement competitive strategies.

## Conclusion

In other words, employee engagement occurs when workers feel a strong connection to their company and its values. In contrast to human resource management practises alone, this study highlighted the importance of inspired and engaged managers or leaders. Despite the fact that a great deal of scholarly research on what motivates participation has been published. The fact that there is no "one size fits all" model of engagement, given that different employees and diverse organisations will vary in their needs and approach, is a practical limitation of this study and similar sectoral studies. Time constraints are considered another limitation which the researcher faced; in addition to the difficulty to access banks and collect required data, the small sample size of this study limits the generalizability of the results. As an emerging economy, India is undergoing profound changes, and its leaders are working tirelessly to boost the country's economic performance and achieve political stability. Therefore, this research lends theoretical support to the idea that employee engagement can be beneficial not only for individuals but also for businesses and the economy as a whole. Therefore, modern businesses should strive to exceed their workers' expectations, as doing so has a direct bearing on the productivity of the company as a whole.

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