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The Relationship Between Employee Engagement And Employee Performance In The Banking Sector Of Haryana

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Abstract:

Employee engagement has become a very common managerial concept in the current day. Most organizations employ a diversity of engagement-building tools to increase performance and face the competition. Even though the term employee engagement is being argued more and more in human resource-referring firms, there aren't many research studies on it, especially in nations with growing economies. The main aim of this research paper is to know the association between employee engagement and employee performance in the public and private banks of Haryana. The research sample included 480 respondents working in SBI, PNB, HDFC and ICICI Banks. Established measures are included in the questionnaire relating to employee engagement and employee performance and also include some demographic questions. This research study was descriptive that is carried out in 4 Banks of Haryana. A questionnaire was used for data collection and Karl Pearson's coefficient of correlation test was applied to find out the relationship between them. employee engagement and employee performance. Data analysis was done through SPSS 25 statistical software. The findings indicated a positive and significant relationship between employee engagement and employee performance. (r = .801, p = 0.002< 0.05). Improving employee engagement practices in banks could be a valuable strategy for enhancing employee performance.

Keywords: Engagement, Involvement, Relationship, Performance.

1 Introduction

Kahn (1990) established the concept of employee engagement through ethnographic data collected. Data was collected from an architectural firm and also in a vacation camp. According to Khan, employee 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” (Kahn, 1990, p. 694). Macey and Schneider (2008) provided a thorough examination of all the crucial components that determine engagement, including organisational citizenship, trait engagement, work participation (e.g., satisfaction, involvement, and empowerment), and (e.g. extra-role behaviour, proactivity, role expansion). As a result, they have covered every important idea related to the employee engagement notion. Employee engagement research papers have described how the idea of employee engagement actually works (Macey and Schneider, 2008; Shuck and Reio, 2014). the anticipated outcome of motivated employees (Konrad, 2006; Rich et al., 2010; Binsiddiq and Alzahmi, 2013). The Gallop institution, for instance, in a landmark study, it was found that employee engagement positively related to organizational performance and job performance, job satisfaction, effectiveness and efficiency; and lessening in employee turnover and absenteeism. Same as, Badal and Harter (2013) say that engaged employees in organisations change the result of output the of the firm which may result in a growing financial performance of the organizations as compared to other firms that do not have actively engaged employees.

Employee performance is a fundamental tool by which the result or outcome of an individual concerning their workplace can be judged. Employee performance is related to the expected development of the workforce and the outcome accomplished by the worker. In organizations and firms, the performance of employees is examined by the directors or the managers at the end of the financial year, or the judging can be done at each quarter of the year. After examining the performance of the employee, the managers provide necessary instructions to do a particular work if required and sometimes also give further suggestions for further improvement. "Job performance is the overall expected value from employees' behaviours carried out throughout a set period” (Motowidlo & Schmidt 1997).

"The behavioural aspect refers to what an individual does in the work situation. It encompasses behaviours such as assembling parts of a car engine, selling personal computers, teaching basic reading skills to elementary school children or performing heart surgery. Not every behaviour is subsumed under the performance concept, but only behaviour which is relevant for the organizational goals" (Campbell et al; 1990).

Employee performance is the most crucial variable in human resources management. Employee performance means the important changes made due to an employee’s (individual) behaviour in the accomplishment of the organization’s goals. This showed that the performance of the employee is the expectation of the organization of what employees do at their workplace that is applicable for increasing the effectiveness of the organization. Two dimensions of employee performance are task performance and contextual performance(Borman & Motowidlo 1993).

1.1TYPES OF EMPLOYEE PERFORMANCE

Employee performance can be divided into four types:

- Task Performance
- Contextual Performance
- Adaptive Performance
- Counterproductive Performance

Task Performance contains the actions and task-related activities which are described under crucial responsibility areas of the employee. In simple words, we can also describe it as the employee's activity at their workplace to make the necessary goods and services. Such as selling a device, setting up a server, training .etc.

(Griffin 2007), "Traditionally, performance was evaluated in terms of the proficiency with which an individual carried out the tasks that were prescribed in his or her role descriptions". Task performance can be defined as a multifaceted and skill-related subject. Task performance is the major component of job performance, including "job-specific task and skill performance, written and oral communication, supervision - in case of team manager, and parts management." Components of task performance have different parts. In management, these different parts include the motivation of employees, accessing and increasing the output given by them, changes in the management and leadership positions including developing a new plan for new initiatives, training, as well as monitoring. It is a job-specific task that includes delivering the desired results within the timeline. That generally is related to the primary aim of the firm, why an organization has employed a person.

Contextual performance is an important dimension of employee performance it is related to behaviours and activities which support the main task in the organization. Contextual performance is not a part of the job description. These two dimensions show the positive behaviour of the employees. The third dimension counterproductive behaviour related to the opposite and negative behaviour of the employees and it also may be harmful to the organization success.

The concept of Adaptive Performance is explained as a person's ability to adapt to changes and adjust their behaviours according to the requirements. Employees are capable of effectively dealing with uncertainty and unpredictable circumstances or employees are able to solve their problem. It is also expected from the employees they easily manage their stress which is related to the dynamic changes. They take good decisions and cannot panic over hurdles.

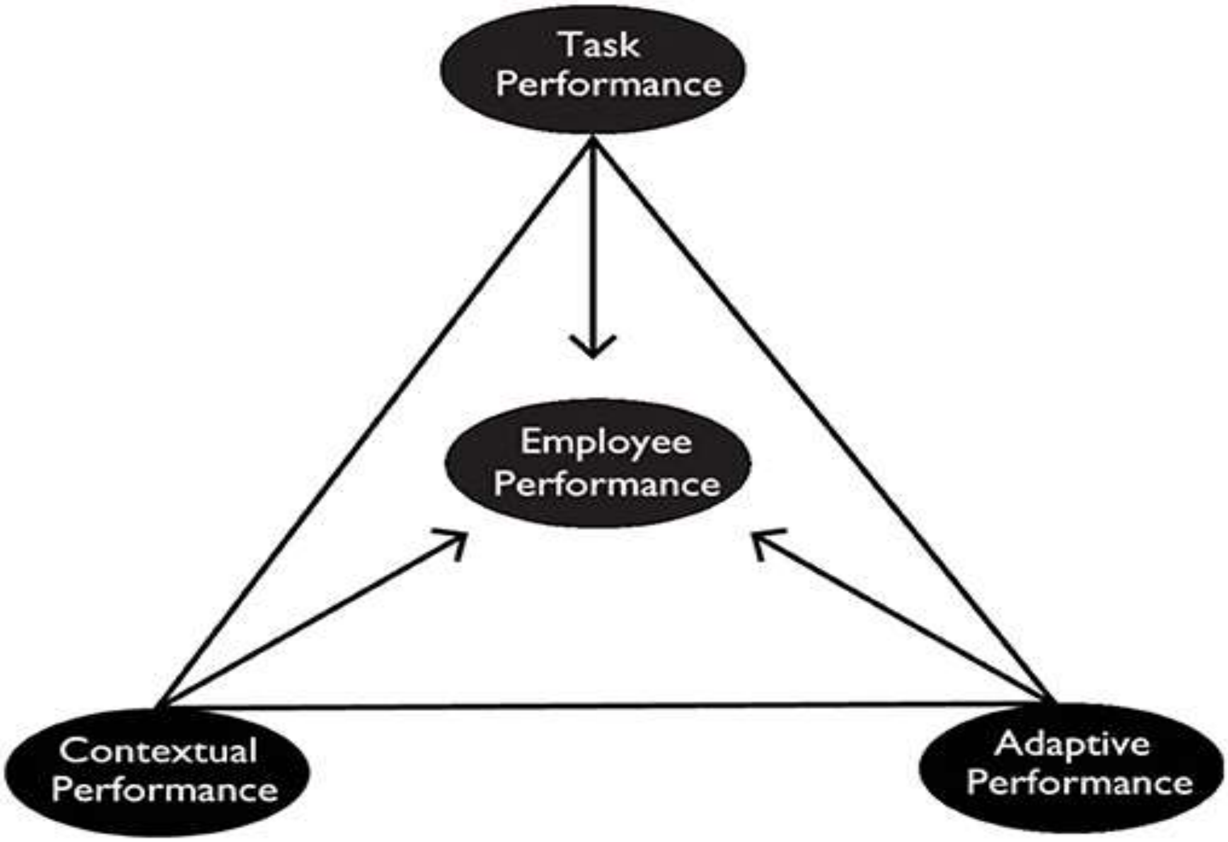

Figure 1.1 Types of Performance
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2 Review of Literature

1. (Basbous & Malkawi, 2017) This research study tried to find the employee engagement predecessor that influences organizational performance becomes gradually disintegrates caused by high absenteeism and intention to quitting the job and troubled working environment, high absenteeism and less trust. This research study was exploratory in nature. The research was held on the bank employees to determine the association between the predecessors covering employee communication, employee growth and development and employee engagement. Data was collected through a structured questionnaire and analysis was done with the help of statistical analysis & Multiple Regression to test the association between variables. The result of this study revealed that there is significant associations between predecessors made of employee communication,

employee growth and development and employee engagement.

2. (Arrawatia & Dixit, 2017) held a research study in private sector banks of Rajasthan. In this research study population comprised three city of private banks in Rajasthan and a sample size of 300 employees was determined. Primary data was collected through a questionnaire and secondary data was collected through secondary sources. In this research study, exploratory factor analysis (EFA) was used to analysis the data. This study found that talented employees become the major challenge in the banking sector and banks of the private sector face cut-throat competition regarding pay, remuneration and selection procedures more than public sector banks. Private sector banks of the private sector should recruit their employees according to knowledge and skill .it propounded that engaged employees are more productive than their disengaged employees.

3. (Farndale, 2017) the purpose of this study was to access the association between employee engagement and an important job resource, perceived performance appraisal fairness. This research study was conducted in India and UK. In this study, data was collected from 249 employees of UK multinational companies operating in the UK and in India. The results of this study indicated that there is significant associations between employee engagement and determinants of perceived performance appraisal fairness in both countries. This research study also highlighted that the support of the supervisor plays a major mediating role.

4. (Nazir & Islam, 2017) The main aim of this research paper was to determine the association between employee engagement, perceived organizational support, and employee performance in higher education in India. In this research, study data was collected through self-administered questionnaire from 410 employees from different higher educational institutes in India and for analysis of data Structural equation modelling was used.

The results of this study found that employee performance was positively affected by perceived organizational support on employee performance and it was also found that employee engagement played a role in mediating variables. This research study provided guidelines regarding properly engaged employees and strategies.

5. (Taiwo et al., 2017) : the study tried to develop a model to know the association between supervisors and employees, employee engagement, and employee performance in the context of a developing country. In this study, responses were collected from 392 employees. Researchers were used survey method for the collection of data in the ready-made garment industry in Bangladesh and for developing a model PLS –SEM used. The results of this study concluded that employee engagement and employee performance have been affected by employee relations with the supervisor . The study empirically proved that performance level is positively affected employee relations.

6. (Devi, 2017) This research paper throws light on the association between employee engagement and performance and the purpose of the research study is to get inside into employee engagement in banking and identified the role of employee engagement in organizational performance. In this research paper, the population comprised 150 employees of the private bank in Jammu city for data, collection questionnaire was used and employee engagement is an independent variable and organizational performance is a dependent variable and a structural equation modelling multivariate technique was used to data analysis. Results of the research study showed that employee engagement is a critical component of individual and organizational success and outcomes and the impact of engagement is evident itself through outcomes, the performance of the organization, employee retention and organizational culture the results were positively significant and fulfilled the research purpose of the research study.

7. (Ferinia et al., 2016) This research study assessed the

association between employee engagement, main factors of motivation and employee performance of nurses at Adventist Hospital. This research study was quantitative in nature and for data, collection questionnaire was used. In this research, a sample of 435 nurses was selected and for analysis, SEM equation modelling was used. The result of this research showed that the need for attainment satisfaction is definitely influenced by advocacy. In this research, study performance is affected by the Need for achievement, advocacy and satisfaction and advocacy. According to this stud satisfaction toward advocacy had the highest correlation.

8. (Rahman, 2016) According to this study, Employee Engagement is an important concept for all types of organizations. In modern times, organizations used engaged employees as a crucial tool for a strategic partners in the business. This research study focused on many drivers that have been identified and these drivers also impact the performance of employees. This study report makes the argument that in these turbulent times, employee engagement is now recognised as a key source of competitive advantages. This study examined the idea of employee engagement as well as the major factors that influence it, focusing in particular on three areas: leadership, work-life balance, and communication. This study also examined how these workplace drivers affected employee performance.

9. (Obiageli et al., 2016) The purpose of this research study investigated the employee involvement correlates with performance in Anambra State Civil Service. In this research study responses were collected from 684 employees and researchers adopted convenience sampling method for selection. Data was collected through a questionnaire and for analysis descriptive statistics methods and Pearson product-moment correlation was used. According to this research paper improved performance was attained when civil servants are not only satisfied with their job but were properly engaged in their tasks in the organization. This study found

a significant positive relationship between employee engagement and performance.

10. (Du et al., 2016) The research study examined the effect of creative process engagement on performance and also focused on the supportive working environment of employees given by the supervisors. In this research study data were collected through a questionnaire and the population included four companies in China. In this research study, confirmatory factor analysis and Pearson correlation were used for data analysis. According to this research study companies can motivate employees for more attention on creative process engagement to increase role performance.

3 Research Methodology

3.1 Objective:

To find out the relationship between employee engagement and employee performance of selected respondents of public and private banks at Rohtak and Sonipat districts in Haryana.

3.2 Hypothesis:

H_0: There is no significant relationship between employee engagement and employee performance.

H_1: There is a significant relationship between employee engagement and employee performance.

3.3 Variables in research

A) Employee Engagement is the independent Variable
B) Employee Performance is the dependent Variable

For achieving the research objective of studying the relationship between employee engagement and employee performance in public and private sector banks of Haryana. the descriptive research design was used in this research paper. Since it is not possible to cover the whole population due to time and cost constraints, therefore researcher select four banks based on their highest market capitalisation and the number of employees. They are prerequisites for removing bias in the selection process. Basically, there are two types of sampling methods i.e. probability sampling method and non-probability sampling method. To cover the whole characteristics of the universe under study, the researcher used non-probability sampling method. The sample to be applied for the present research study has been selected through Non-probability Sampling Method "Quota Sampling Method". The sample of employees is selected from all the branches of four selected banks which are situated in the Rohtak and Sonipat districts. The sample size is determined with the help of Yamane, s Formula 480 employees selected. In this research study, primary data and secondary data are used. Research Instrument For the measurement of employee engagement and its impact on employee performance effectiveness of bank employees.The researcher used a standardised scale of (UWES-9) for employee engagement and a modified scale of employee performance is used as a research instrument. Data was collected through a questionnaire and which was divided into three parts. Part first contains demographic profile-related questions. Second Part includes the statement of employee engagement and in the third part includes statements of employee performance.

Table: 3.1 Demographic Profile of respondents

Bank Branch	
Rohtak	240
Sonipat	240
Name of the bank	
SBI Bank	150
PNB Bank	190
HDFC Bank	80
ICICI Bank	60
Type of bank sector	
Public sector bank	340
Private sector bank	140
Gender	
Male	295
Female	185
Age	

20 to 30 years	141
30 to 40 years	199
40 to 50 years	62
Above 50 years	78
Educational Qualification	
Under Graduate	47
Graduate	162
Post Graduate	217
Other	54
Marital Status	
Single	121
Married	359
Job Level	
Manager	260
Clerk	220
Years of work experience	
Less than 10 years	175
10 to 20 years	130
20 to 30 years	125
More than 30 years	50
Monthly Income	
Below 50,000	138
50,000 to 1,00,000	191
1,00,00 to 1,50,000	58
Above 1,50,000	93

Source: output from SPSS

In this research study, 480 bank employees were included from two private and two public banks which are operating in Rohtak and Sonipat, out of which 295 males and 195 females filled the questionnaire. Compared with female employees, male employees were the majority in the sample. During their regular working hours in the bank, respondents were requested to complete the questionnaires. All respondents received assurances that answering the questionnaire was completely voluntary and anonymous treatment would be provided. The age of participants ranged between 20 to 30 years, 30 to 40 years, 40 to 50 years and above 50 years. 141 respondents were in the age group 20 to 30 years, 199 respondents lie in the 30 to 40 years age group, 62 respondents lie in the 40 to 50 years age group and the rest all lies in the above 50 years age group. 47 respondents were undergraduate sample and 162 respondents of the sample received a bachelor's degree, 217 respondents have a master's degree, and only 54 respondents have a professional banking degree. 121 respondents were unmarried and 359 respondents were married. Data was collected from 260 managers and 220 clerks.175 respondents have experienced of less than 10 years, 130 respondents have experience of 10 to 20 years, 125 respondents have 20 to 30 years and 50 respondents have more than 30 years of experience. The income of 138 respondents was below 50,000, 191 respondents received income between 50,000 to 1,00,000, 58 respondents received between 1,00,00 to 1,50,000 and 93 respondents received more than 1,50,000 respectively. These features show a reasonable mix of demographic groups characterized in the data.

Test of Normality:

The data should be normally distributed. Table 2 shows that the data is normally distributed with the help of skewness and kurtosis. The normality can also be measured with the help of the K-S and S-W

tests.

Table:3.2 Tests of Normality

	Kolmogorov-Smirnov[a]			Shapiro-Wilk		
	Statistic	Df	Sig.	Statistic	Df	Sig.
Normal_Engagement	.121	480	.000	.976	480	.062
Normal_performance	.075	480	.001	.993	480	.081
a. Lilliefors Significance Correction						

Source: output from SPSS

In the K-S test and S-W tests, significant value is more than 0.05 (p-value), then it is considered that data is normally distributed. In the first case, K-S significant value is 0.121 or 0.75 > 0.05 and S-W significant value is 0.081 or 0.062 > 0.05, so data related to regularly used techniques are normally distributed. This data related to employee engagement and employee performance is also normally distributed.

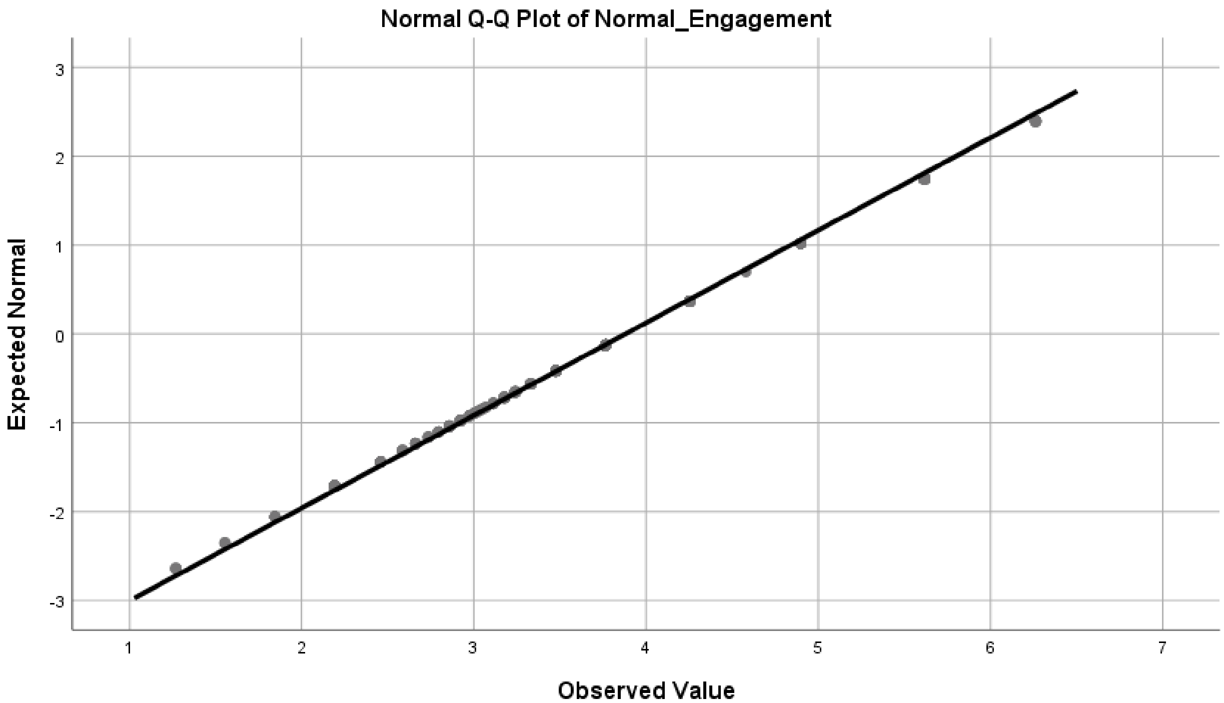

Figure: 3.1

Source: output from SPSS

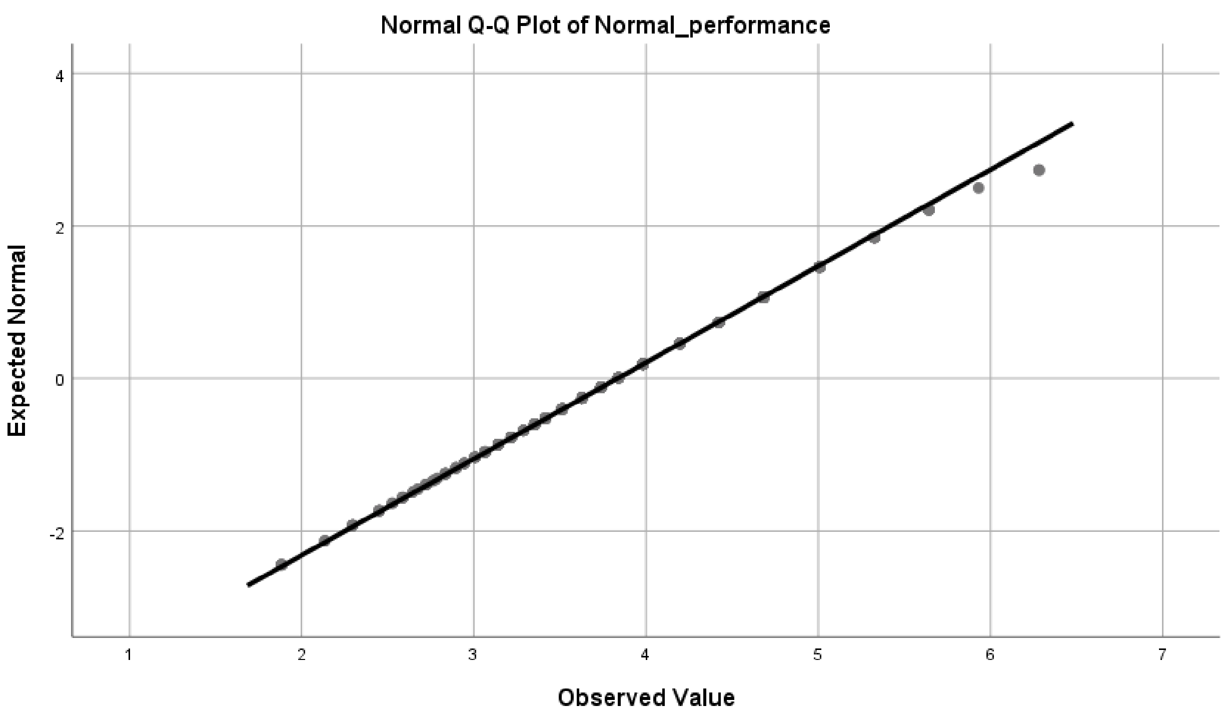

Figure 3.1 Q-Q Plot for Normality

Source: output from SPSS

The normality free from outliers can be represented with the help of graphics. The Q-Q plot is used for this purpose. Normality is considered if the Q-Q plot lies in a straight diagonal line.

Finding pertaining to Research Objective In this section correlation test is used to know the significant relation between two variables. The dependent variable is employee performance and the independent variable is employee engagement. Table Showing the Impact of employee engagement on employee performance.

Table: 3.3 Relationship between Employee Engagement and Employee Performance

Correlations			
		Employee_Engagement	Employee_Performance
Employee_Engagement	Pearson Correlation	1	.801*
	Sig.(2tailed)		.002
	N	480	480
Employee_Performance	Pearson Correlation	.801*	1
	Sig.(2tailed)	.002	
	N	480	480
*. Correlation is significant at the 0.05 level (2-tailed).			

Source: output from SPSS

The coefficient value of 0.801 indicates strong relation between the two variables and the direction of the relationship is positive which means that the change of two variables occur together if the level of employee engagement increases, Performance also increases. The null hypothesis is rejected and the alternate hypothesis is accepted. This research study finds out that all the factors of employee engagement have a positive impact on employee performance. So the banks can change the work environment for the benefit of the bank employees and when banks take proper and suitable measures to improve employee engagement of respondents, their job performance also improves effectively.

CONCLUSION

The result based on the correlational data analysis supported it was found that in the research study there is a positive relationship between independent variable employee engagement and dependent variable employee performance effectiveness among bank employees at Rohtak and Sonipat in Haryana. Based on the data analysis, it was found that Pearsons correlation coefficient between employee engagement and employee performance is 0.801, a significant value. This indicates there exists an 80.0% positive relationship between employee engagement and employee performance and the direction of the relationship is positive which means that the changes in the two variables occur together if the level of employee engagement increases, Performance Effectiveness also increases. According to the findings, the positive coefficient values indicate there exists a strong and positive relationship between employee engagement and employee performance.

Discussion

Employees must be recognised as the organization's human capital by all businesses and organisations. Employees are a company's most valuable asset and the foundation of its ability to compete. In order to tackle the present and future difficulties of global competition and be able to close the productivity gap, engagement awareness levels must be raised throughout the Indian economy. Effective engagement strategies can overcome supply-side constraints and the lack of resources. Studies from nations with rising economies are still urgently needed to determine employee engagement levels. The Central Bank of India needs to assess the banking sector's performance plans while taking into account the variables that could affect employee behaviour. Then, in order to ensure consistency in performance across all Indian banks, these plans must be developed and shared. Future studies must pay more attention to actual HRM practises rather than only focusing on meeting personal requirements.

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