EMPLOYEE ENGAGEMENT–A STUDY WITH REFERENCE TO SERVICE CLIMATE OF EMPLOYEES IN PRIVATE AND FOREIGN SECTOR BANKS

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ABSTRACT

Purpose: In this study, the factors of service climate which mainly concerns with the employees shared employee perceptions of policies, procedures, practices and behaviours that get rewarded, supported and expected with regard to customer service and customer service quality and represent the degree to which the internal functioning of organisation is experienced as one focused on service quality.

Design/Methodology/Approach: Sample of 628 Banks employees from private and foreign Banks at Chennai were surveyed.

Findings: Overall engagement has a positive impact on service climate. The service climate factors show that the employees are engaged towards their organizational commitment.

Originality/value: The results suggest that employees could be engaged in an amicable and motivating service climate, sustained attention to physical, cognitive, emotional, behavioural and technological engagement drivers, and willingness to have a continued association with the organisation.

Keywords: Engagement, Service Climate, Organisational Commitment, Quality service, technological advancement

INTRODUCTION

Employee Engagement is a workplace approach resulting in the right conditions for all members of an organization to give their best each day. Employee Engagement is based on trust, integrity, a two-way commitment and communication between an organization and its members. It is an approach that increases the chances of business success, contributing to organizational and individual performance, productivity and well-being. There is more and more convincing evidence that improving employee engagement can significantly improve the company’s performance across several key areas, such as; Profitability, Productivity, Customer Satisfaction, Innovation, Health and Safety, Sickness and Absence, Turnover and Wellbeing.

But, to achieve that, your engagement efforts should be aligned with your overall business strategy. Implementing unplanned ideas and activities that you think might help, without monitoring or measuring their impact, is a waste of time and resources.

RATIONALE FOR RESEARCH

Many studies proved that the employees in banking services are not highly engaged with their work environment and they also expect more service quality from the employer’s part, which helps us to undergo research study in this field.
REVIEW OF LITERATURE

There is a consistent relationship between employees’ and customers perceptions of service quality. Human resource practices, interpersonal relations, coordination, and emphasis on service have been found to be associated with positive employee and customer service perceptions. (Schneider, 1973; Schneider et al. 1980; Schneider & Bowen, 1985; Tornow & Wiley, 1991; Ulrich et al. 1991). Employees perceive top leadership as positively influencing performance and efficiency of operations whereas middle management is seen as having a negative influence on performance and efficiency (Paradise-Tomow, 1991).

Tenure has a positive relationship with service quality (Schlesinger & Zornitsky, 1991). There is evidence that with increasing tenure, employees’ perception of their service capability increases, possibly due to experience and greater knowledge of customer requirements. There was some evidence that full time employees had greater attachment to the organization, provided better service and had higher ratings of customer satisfaction than part time employees (Ulrich et al. 1991).

Schneider & Bowen (1995) recommend that systems in organizations need to be integrated to provide an experience of seamlessness of services. Management needs to pay attention to multiple facets of service climate rather than relying on single interventions. Since people do things that are more likely to be rewarded, reward systems can be configured to motivate employees to provide quality service. Management needs to emphasize a service orientation as against a production orientation and needs to direct its attention to service oriented behaviors.

RESEARCH GAPS

Research Gap 1: Innumerable research has been documented for public sector Banks in India. This was later followed by studies on Private Banks. Hence specific research on human capital in Foreign Banks is also required. It must be noted that employees are local nationals while the Bank in headquartered abroad.

Research Gap 2: There exists no research framework to analyse the causal relationships between emerging drivers of employee engagement, service climate, organisational commitment and organisation citizenship behaviour with respect to banks. Hence there is a need for an integrated model to analyse such causal relationships.

MATERIALS AND METHODS

Research Design

Causal research design was employed for data collection, analysis and testing of research model used in this research.

Objectives of the Research

The objective was to establish a conceptual framework to test the causal relations between employee engagement factors, service climate in banking environment at Chennai with reference to foreign and private banks. The sample size was 628 Bank employees.

Sampling Design

The population comprised employees serving in Banking sector at Chennai. The frame comprised employees serving in Private and Foreign Banks at Chennai. Proportionate Stratified Sampling (Malhotra and Birks, 2006) was employed. The strata comprised Private and Foreign Banks. Subsequently, random sampling was employed in each stratum.
Data Collection Design
Primary data collection method comprised survey method while primary data collection instruments were structured questionnaire.

Statistical Tools
The main tools used for statistical analysis were percentages, means.

Conceptual Framework
Conceptual framework was based upon research gaps and exhaustive review of literature. The rationale behind constructing this framework was that it attempts to facilitate a more holistic model. The variables extracted from review of literature were mainly sourced from journal articles authored by Macey and Schneider (2008); Schneider et al. (1998);

Pilot Study and Reliability Coefficient
Pilot study was conducted involving 50 respondents and a few modifications were implemented. The reliability coefficient (Cronbach alpha) was found to be 0.712 for research instrument comprising 36 items thereby indicating acceptable instrument reliability (Nunnally, 1978).

Limitations of the Research
The limitations of the research were: the study is primarily focused on employee engagement only and other dynamics of human resource management are not under its purview; the study is targeted at employees serving in Private and Foreign Banks in Chennai district only and other category of Banks are not under its purview; and there may be changes in the Banking sector environment, service design and delivery, and employee behaviour in the future. The consequences are that these would impact perceptions and expectations.

RESULTS AND DISCUSSION
Service Climate variable 3: The overall quality of service provided by our Bank to customers is excellent.

<table>
<thead>
<tr>
<th>Overall quality of service</th>
<th>Private Banks</th>
<th>Foreign Banks</th>
<th>Overall</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Freq.</td>
<td>%</td>
<td>Freq.</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>0</td>
<td>0.0</td>
<td>0</td>
</tr>
<tr>
<td>Somewhat disagree</td>
<td>47</td>
<td>8.2</td>
<td>4</td>
</tr>
<tr>
<td>Somewhat agree</td>
<td>303</td>
<td>53.2</td>
<td>34</td>
</tr>
<tr>
<td>Strongly agree</td>
<td>220</td>
<td>38.6</td>
<td>20</td>
</tr>
<tr>
<td>Total</td>
<td>570</td>
<td>100</td>
<td>58</td>
</tr>
</tbody>
</table>

ANALYSIS FOR PRIVATE BANKS
It can be seen from the table that 8.2% somewhat disagree, 53.2% somewhat agree and 34.5% strongly agree for factor. The overall quality of service provided by our Bank to customers is excellent.
It can be seen from the table that 6.9% somewhat disagree, 58.6% somewhat agree and 34.5% strongly agree for factor. The overall quality of service provided by our Bank to customers is excellent.

OVERALL ANALYSIS FOR BANKS

It can be seen from table that 8.1% somewhat disagree, 53.7% somewhat agree and 38.2% strongly agree for factor. The overall quality of service provided by our Bank to customers is excellent.

Discussion: Majority of the respondents have given highest rating for “Somewhat agree” and Lowest rating for “Strongly disagree” among “The overall quality of service provided by our Bank to customers is excellent” with request to Service Climate.

CONCLUSION

The level of satisfaction (perception) with regard to employee engagement factors, service climate, organisational commitment and organisation citizenship behaviour in banking environment with reference to foreign and private banks was ascertained.

Physical, Cognitive, Emotional, Behavioural and Technological engagement have a positive impact on overall engagement. Overall engagement has a positive impact on service climate. Service climate has a positive impact on organisational citizenship behaviour and organisational commitment.

REFERENCES


