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# Augmenting Employee Productivity through Employee Engagement: Evidence from Indian Banks

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*Abstract-* Banking is a service sector, and hence the complete health of a bank depends on the performance of its employees, more precisely on their knowledge, skills and motivation level; While every other resource like technology, capital assets and even finance can be bought; the only resource that cannot be purchased is ENGAGED human resources, which can be developed and nurtured only through implementation of effective HRD Policies and Practices like, Training and Development, Career Progression, Reward and Recognition and Perceived Organizational Support .An effective and efficient employee who has a strong commitment towards company and its brand will create a ripple effect that results in a positive environment in the organization. Some of the approaches aimed at HRD practices increase employee engagement and in return this can have more influence on HR variables such as retention and loyalty. Employee engagement creates emotional bonding with the bank, where in they put more effort voluntarily and would not like to leave the job. Eventually this leads to development of individual productivity as well as bank's productivity.

*Keywords:* employee engagement, employee productivity, banks, human capital practices.

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*Strictly as per the compliance and regulations of:*



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Dr. B. S. Patil

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## I. INTRODUCTION

Change is the route through which future assault the present and hence, it is very crucial to look at it closely for successful coping which would entail us to espouse a new stance and develop a new insightful awareness to comprehend the role it plays on our lives. As far as Indian banking scenario is concerned, all of us are aware, that the wind of change has radically altered the landscape compared to what it used to be a few years ago. In the early nineties, two aspects have brought on radial changes in our Indian banking sector; Liberalization and Technology, which enabled the new entrants to develop innovative and new products and services which were differentiating from existing services. In this connection, competition became a buzzword for the Indian banking sector.

Since Banking is a service sector, the health of a bank depends on the performance of its employees, more precisely on their knowledge, skills and motivation level; While every other resource like technology, capital assets and even finance can be bought; the only

resource that cannot be brought is ENGAGED human resources, which can be developed and nurtured only through implementation of effective HRD Policies and Practices.

Kevin Cruise Defines "Employee engagement is the emotional commitment the employee has to the organization and its goals". According to Hewitt Model Engaged Employees, Speak: Positively about the organization; they would not hesitate to recommend this organization to a friend seeking employment. Stay: They have an intense desire to be a member of the organization. Strive: They exert extra effort and engage in behaviors that contribute to business success. Ion Hawalt has found that Employee Engagement in Public Sector Banks has been reduced from 62% (2010) to 46% (2012), (Hawalt, 2013). Scarlett state that companies with engaged workers have 6% higher net profit margins (Scarlett, 2010).

## II. LITERATURE REVIEW

One of the most accepted studies of engagement was carried out by Kahn (1990). Conceptually, He began with the work of Goffman (1961) who proposed that, "people's attachment and detachment to their role varies" (Kahn 1990:694). However, Kahn argued that Goffman's study focused on fleeting face-to-face encounters, while a approach was needed to fit organizational and or corporate life, which is "ongoing, emotionally charged, and psychologically complex" (Diamond and Allcorn 1985). For an in depth understanding of the varying levels of attachment the employees expressed towards their roles (Kahn 1990) examined several disciplines. It was found that psychologists (Freud 1922), sociologists (Goffman 1961, Merton 1957) and group theorists (Slater 1966, Smith and Berg 1987) had all recognized the idea that individual as employees are naturally hesitant about being members of ongoing groups and systems. As a result they "seek to protect themselves from both isolation and engulfment by alternately pulling away from and moving towards their memberships" (Kahn 1990). The terms Kahn (1990) uses to describe these calibrations are 'personal engagement' and 'personal disengagement', which refer to the "behaviours by which people bring in or leave out their

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personal selves during work role performances" (Kahn 1990:694). These terms developed by Kahn (1990) integrate previous ideas taken from motivation theories that people need self-expression and self-employment in their work lives as a matter of course (Alderfer 1972, Maslow 1954).

In a study to empirically test Kahn's (1990) model, May et al (2004) found that meaningfulness, safety, and availability were significantly related to engagement. In the only study to empirically test Kahn's (1990) model, May et al (2004) found that meaningfulness, safety, and availability were significantly related to engagement. Practitioners and academics tend to agree that the consequences of employee engagement are positive (Saks 2006). There is a general belief that there is a connection between employee engagement and business results; a meta-analysis conducted by Harter et al (2002:272) confirms this connection. They concluded that, "...employee satisfaction and engagement are related to meaningful business outcomes at a magnitude that is important to many organizations". However, engagement is an individual-level construct and if it does lead to business results, it must first impact individual-level outcomes. Therefore, there is reason to expect employee engagement is related to individuals' attitudes, intentions, and behaviours. Although neither Kahn (1990) nor May et al (2004) included outcomes in their studies, Kahn (1992) proposed that high levels of engagement lead to both positive outcomes for individuals, (eg quality of people's work and their own experiences of doing that work), as well as positive organizational-level outcomes (eg. the growth and productivity of organizations).

Gallup conducted a study on Employee Engagement in United States and finds that only 30% of people are engaged at work i.e. only three employees out of ten. Of course, worldwide it's mostly worst. According to Gallup's study it is about only 13% of the employees are engaged worldwide. Even though employee engagement is so critical and a creamy sauce to massive business results, most of the employees is still not engaged at work. He terms it as engagement crisis. Bharathi, N. (2009), states that the employee who is engaged believes in organizations mission and values through their maximum commitment. The prime character of an engaged employee is talking positively about his company, and that he will having sturdy desire to stick to the company and in fact exerts more efforts for the success of the company. Harter and others. (2002), presumed that there is a nexus between employee performance and employee engagement. Employee Engagement is preferred as a tool for success of the organization and financial soundness. Engagement has been identified to be connected to job performance and excess code of conduct and is

positively connected to organizational promise and negatively connected to purpose to quit. Employee engagement creates emotional bonding with the bank, where in they put more effort voluntarily and would not like to leave the job. Eventually this leads to development of individual productivity as well as bank's productivity. (Hannah and Iverson, 2004).

### III. RESEARCH GAPS

Literature on HRD in banking sector integrating to Employee Engagement and Employee Productivity is extremely limited since the concept of Employee Engagement is new. Most of the studies concentrate on single sector or an individual bank and very few studies show a comparison of HRD between public and private sector banks. Hence the present study tries to fill up the gap by integrating HRD Practices with Employee Engagement and Employee Productivity with specific reference to banks.

### IV. STATEMENT OF THE PROBLEM

In order to sustain the challenges and constant changes it is very important to have the employees engaged as the engaged employees will demonstrate an increased loyalty to the organization to reach the heights of excellence. It is high time for the banks to effectively utilize the human strengths by generating positive perception and attitude among the employees through Human Resource Development Programs.

### V. OBJECTIVES OF THE STUDY

- To assess the relationship between HRD policies and practices with Employee Engagement.
- To find the impact of HRD Policies and Practices on Employee Engagement.
- To suggest and recommend possible interventions in order to enrich the existing HRD policies and practices with a view to increase Employee Productivity in banks.

### VI. HYPOTHESIS

- *H1*: There is a significant relationship between HRD policies and practices with Employee Engagement.
- *H2*: HRD Policies and Practices have a significant impact on Employee Engagement and Productivity.

The HRD Practices are divided into relationship between HRD policies and Employee Engagement.4 parameters viz. Training and Development, Career Progression, Reward and Recognition and Perceived Organizational Support. The Hypothesis are framed and tested separately for each of these parameters.

### VII. RESEARCH METHODOLOGY

The present study is Exploratory and Descriptive in nature to find the causal relationship

between HRD Practices with Employee Engagement and Employee Productivity in Public and Private sector banks.

a) *Sampling Design*

Stratified Random Sampling technique is used for this study, with 2 strata viz. Public Sector Banks and

Private Sector Banks. Further dividing them with sub-strata of Rural and Urban areas.

The sample units of Public and Private Sector Banks are:

Table 1: The Sample Distribution

Sample Units	Respondents	Percent
Canara Bank	77	22.8
State Bank of India	69	20.5
ICICI	85	25.2
Karnataka Bank Ltd	106	31.5
<b>Total</b>	<b>337</b>	<b>100.0</b>

VIII. DATA ANALYSIS AND INTERPRETATION

The primary objective of this research is to critically analyze the relationship between the Human Resource Development Practices and Employee

Engagement. Pearson's Correlation analysis helps to determine the relationship between Human Capital Management Practices and Employee Engagement.

Table 2: Correlation Analysis for HRD practices and Employee Engagement

Factors		1	2	3	4	5
TDT (1)	Pearson Correlation	1				
	Sig. (2-tailed)					
CPS (2)	Pearson Correlation	.198**	1			
	Sig. (2-tailed)	.000				
RRS (3)	Pearson Correlation	.026	.346**	1		
	Sig. (2-tailed)	.000	.000			
POS (4)	Pearson Correlation	.374**	.211**	-.001	.594**	
	Sig. (2-tailed)	.000	.000	.982	.000	
EES (5)	Pearson Correlation	.274**	.113*	.422**	.326**	1
	Sig. (2-tailed)	.000	.039	.000	.000	

[Source: Compiled from Primary Data]

The above table, Karl Pearson's correlation coefficient analysis shows existence of positive correlation between Employee Engagement (Dependent Variable) and the HRD practices (Independent Variables).

The correlation is statistically significant at 5% significance level of ( $\alpha=0.05$ ) or at 95 percent confidence interval. Out of four independent factors Reward and Recognition system seems to have the greatest influence since 'r' value is highest (0.422) compared to 'r' values of other factors and it is significant at 99 percent confidence interval.

a) *Regression Analysis*

The second objective of the study is to find the impact of HRD Policies and Practices on Employee

Engagement. To analyse this objective regression tool has been used.

i. *Training and Development*

*Null Hypothesis-H0 a:* There is no significant impact of Training and Development Techniques on Employee Engagement.

*Alternate Hypothesis-H1 a:* There is significant impact of Training and Development Techniques on Employee Engagement.

Table 3: Model Summary for Training and Development

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.274 <sup>a</sup>	.075	.072	.51453
a. Predictors: (Constant), Training and Development Techniques				

Table 4: One-way ANOVA Results of Training and Development

ANOVA <sup>a</sup>						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	7.192	1	7.192	27.164	.000 <sup>b</sup>
	Residual	88.689	335	.265		
	Total	95.881	336			
a. Dependent Variable: Employee Engagement Strategies						
b. Predictors: (Constant), Training and Development Techniques						

Table 5: Beta Coefficient and T-statistic Results for Training and Development

Coefficients <sup>a</sup>								
Model		Un-standardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	2.644	.215		12.280	.000	2.220	3.068
	Training and Development Techniques	.293	.056	.274	5.212	.000	.183	.404
a. Dependent Variable: Employee Engagement Strategies								

[Source: Compiled from Primary Data]

ii. *Statistical Inference*

$F(1, 335) = 27.164 > .000^b$ ;  $P=0.05$ , Hence  $H_0$  is rejected.

$T_{cv} = 5.212 > .000^b$ ;  $P=0.05$ , Hence  $H_0$  is rejected.

iii. *Theoretical Inference*

The regression analysis does not support the null hypothesis and therefore it is not accepted. Alternate hypothesis  $H1 a$  is retained which states that there is a positive relationship between Training and Development and Employee Engagement. The standard beta coefficient is .274 for Training and Development Techniques. F-statistic at degrees of freedom 1 and 335 is 27.164 which is greater than the table value of .000<sup>b</sup> at

$p= 0.05$ . Also the t-statistic calculated value is 5.212. It is also higher than the table value of .000<sup>b</sup>. Hence null hypothesis is rejected at a confidence interval of 95 percent. This implies that Employee Engagement is significant determinant of Training and Development Techniques.

b) *B-Analysis of Career Progression System*

*Null Hypothesis-H0 b:* There is no significant impact of Career Progression System on Employee Engagement.

*Alternate Hypothesis-H1 b:* There is significant impact of Career Progression System on Employee Engagement.

Table 6: Model Summary for Career Progression System

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.422 <sup>a</sup>	.178	.176	.48578
a. Predictors: (Constant), Career Progression System				

Table 7: One-way ANOVA Results of Career Progression System

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	17.060	1	17.060	72.291	.000 <sup>b</sup>
	Residual	78.583	333	.236		
	Total	95.642	334			
a. Dependent Variable: Employee Engagement Strategies.						
b. Predictors: (Constant), Career Progression System.						

Table 8: Beta Coefficient and T-statistic Results for Career Progression System

Coefficients <sup>a</sup>								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	2.393	.163		14.713	.000	2.073	2.713
	Career Progression System	.380	.045	.422	8.502	.000	.292	.468

a. Dependent Variable: Employee Engagement Strategies

[Source: Compiled from Primary Data]

i. Statistical Inference

$F(1, 335) = 72.291 > .000^b$ ;  $P=0.05$ , Hence  $H_0$  is rejected

$T_{cv} = 8.502 > .000^b$ ;  $P=0.05$ , Hence  $H_0$  is rejected

ii. Theoretical Inference

The regression analysis in Table 6, 7 and 8 does not support the null hypothesis  $H_0$  and therefore it is not accepted. Alternate hypothesis  $H_1$  is retained which states that there is a positive significant relationship between Career Progression System and Employee Engagement. The standard beta coefficient is .422 for Career Progression System. F-statistic at degrees of freedom 1 and 335 is 72.291 which is greater than the table value of .000<sup>b</sup> at  $p= 0.05$ . Also the t-statistic calculated value is 8.502. It is also higher than

the table value of .000<sup>b</sup>. Hence null hypothesis is rejected at a confidence interval of 95 percent. This implies that Employee Engagement is significant determinant of Career Progression System. The positive relation between the dependent and the independent variable is significant at 95 percent confidence level as indicated by ( $P < 0.05$ ).

c) Analysis of Reward and Recognition System

*Null Hypothesis-H0 c:* There is no significant impact between Reward and Recognition System and Employee Engagement.

*Alternate Hypothesis-H1 c:* There is significant impact between Reward and Recognition System and Employee Engagement.

Table 9: Model Summary for Reward and Recognition System

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.113 <sup>a</sup>	.013	.010	.53158

a. Predictors: (Constant), Reward and Recognition System

Table 10: One-way ANOVA Results of Reward and Recognition System

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.216	1	1.216	4.303	.039 <sup>b</sup>
	Residual	94.665	335	.283		
	Total	95.881	336			

a. Dependent Variable: Employee Engagement Strategies.

b. Predictors: (Constant), Reward and Recognition System.

Table 11: Beta Coefficient and T-statistic Results for Reward and Recognition System

Coefficients <sup>a</sup>								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	3.356	.195		17.188	.000	2.972	3.740
	Career Progression System	.107	.052	.113	2.074	.039	.006	.209

a. Dependent Variable: Employee Engagement Strategies

[Source: Compiled from Primary Data]

i. *Statistical Inference*

$F(1, 335) = 4.303 > .039^b$ ;  $P=0.05$ , Hence  $H_{02}$  is rejected  
 $T_{cv} = 2.074 > .039^b$ ;  $P=0.05$ , Hence  $H_{02}$  is rejected

ii. *Theoretical Inference*

The regression analysis in Table 9, 10 and 11 does not support the null hypothesis  $H_0$  and therefore it is not accepted. Alternate hypothesis  $H_1$  is retained which states that there is a positive significant relationship between Reward and Recognition System and Employee Engagement. The standard beta coefficient is .113 for Reward and Recognition System. F-statistic at degrees of freedom 1 and 335 is 4.303 which is greater than the table value of .039<sup>b</sup> at  $p=0.05$ . Also the t-statistic calculated value is 2.074. It is also

higher than the table value of .039<sup>b</sup>. Hence null hypothesis is rejected at a confidence interval of 95 percent. This implies that Employee Engagement is significant determinant of Reward and Recognition System. The positive relation between the dependent and the independent variable is significant at 95 percent confidence level as indicated by ( $P < 0.05$ ).

d) *Analysis of Perceived Organizational Support*

*Null Hypothesis-H0 d:* There is no significant impact of Organizational Support on Employee Engagement.

*Alternate Hypothesis-H1 d:* There is significant impact of Organizational Support on Employee Engagement.

Table 12: Model Summary for Perceived Organizational Support

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.22 <sup>a</sup>	.05	.05	.52104
a. Predictors: (Constant), Perceived Organizational Support				

Table 14: Beta Coefficient and T-statistic Results for Perceived Organizational Support

Coefficients <sup>a</sup>								
Model		Un-standardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	3.016	.183		16.486	.000	2.656	3.375
	Perceived Organizational Support	.201	.049	.219	4.101	.000	.105	.298
a. Dependent Variable: Employee Engagement Strategies								

[Source: Compiled from Primary Data]

i. *Statistical Inference*

$F(1, 335) = 16.817 > .000^b$ ;  $P=0.05$ , Hence  $H_0$  is rejected.  
 $T_{cv} = 4.101 > .000^b$ ;  $P=0.05$ , Hence  $H_0$  is rejected.

ii. *Theoretical Inference*

The regression analysis in Table 12, 13 and 14 does not support the null hypothesis and therefore it is not accepted. Alternate hypothesis  $H_1$  is retained which states that there is significant impact of Organizational Support on Employee Engagement. The standard beta coefficient is .219 for Organizational Support. F-statistic at degrees of freedom 1 and 335 is 16.817 which is greater than the table value of .000<sup>b</sup> at  $p=0.05$ . Also the t-statistic calculated value is 4.101. It is also higher than the table value of .000<sup>b</sup>. Hence null hypothesis is rejected at a confidence interval of 95 percent. This implies that Employee Engagement is significant determinant of Organizational Support. The positive relation between the dependent and the independent variable is significant at 95 percent confidence level as indicated by ( $P < 0.05$ ).

IX. SUMMARY OF FINDINGS

- The correlation between the HRD practices and Employee Engagement is statistically significant at 5% significance level ( $\alpha=0.05$ ). The Karl Pearson's co-efficient values in table 2 (in green color) are less than the significance level of 0.05, which implies that each of the independent parameters considered for this study has a significant positive influence on Employee Engagement.
- Out of the four independent factors Reward and Recognition System seems to have the greatest influence since 'r' value is higher (0.422) compared to 'r' values of other parameters and that it is significant at 99 percent confidence interval. Out of total 337 respondents from both the banks 219 respondents (65%) stated that satisfaction with financial rewards have positive impact on employee engagement.
- Almost 69.7% of public sector banks respondents mentioned that they were willing to voluntarily take up additional jobs that helps in excelling individuals

as well as organizational productivity, whereas 63% respondents from private sector banks agreed with the statement.

- 202 respondents (60%) out of total 337 responses from both public (73) and private sector (129) banks say that Reward and Recognition system acts as a tool in motivating, and in excelling employee engagement.
- 71% (239 respondents) of the total respondents (337) from both the banking sectors said that they always get motivated and engaged by the bank's career planning system. However the mean value on satisfaction level is comparatively high in public sector banks than that of private banks.
- 74 respondents (51%) of public sector bank expressed that they are not encouraged to experiment new and creative ideas, whereas in private sector banks it was 53 respondents (28%), who agree with the statement.
- Job satisfaction and a sense of belonging is higher in respondents of public sector banks than compared to that of private sector ones.
- 68% of public sector bank's respondents and 54% of Private sector bank's respondents opined that they would stand up to protect the reputation of my bank.
- All the HRD parameters are positively correlated to Employee Engagement. However, some of the variables such as Training and Development Techniques, Career Progression System, Reward and Recognition System and Perceived Organizational Support are positively significant to Employee Engagement at 95 percent confidence level.
- Out of four independent factors Employee Engagement Strategies seems to have the greatest influence on Employee Productivity since 'r' value is highest (0.749) compared to 'r' values of other factors and it is significant at a 99 percent confidence interval.
- According to the regression analysis, it is evident that there is positive relationship between all the independents variables Training and Development Techniques, Career Progression System, Reward and Recognition system and Organizational support along with the dependent variable employee engagement, as the beta coefficient are 0.274, 0.422, 0.113 and 0.219 respectively and the p values are less than 0.05 significance level.

Hence the analysis proves that all the HRD practices selected for the study have a positive impact on employee engagement.

## X. SUGGESTIONS

- Public Sector Bank employees with more than ten years of experience, expressed that they have not noticed any improvement in the training programs conducted by the banks. Therefore, the training programs should be improved and updated to induce interest among the experienced employees.
- Due to heavy work load the bank managers are often reluctant to send their staff/officers for training sessions. Hence, instead of long duration sessions specific capsule programs must be designed so that each participant involves himself in the session rather being a passive listener. E-learning modules can also be adopted by the banks which save time and the employees need not be away from their jobs.
- ICICI bank has adopted innovative and digital training methods, whereas Karnataka Bank, SBI and Canara Bank are still following the traditional Training and Development methods. To sustain this competitive world, to retain skilled employees and to make it innovative Learning and Development Sessions must be implemented. Banks should shift from Training programmes to Learning Programmes, as the employees must always be updated with new trends, technologies and issues or else they are obsolete.
- Giving an advantage to the female employees specialized training programmes should be designed to utilize their skills and talents in the area of Customer Relationship Management in banks.
- The public sector banks have to actively participate in the learning programmes conducted by 'The Indian Banks Association' (IBA) like Distance Learning Programmes for bank employees through academic institutions like National Institute of Bank Management (NIBM), Indian Institute of Bankers (IIB), etc...
- This service industry has to traverse the feasibility to invading into collaborative arrangements with the universities and other institutions in India and foreign to recognize and provide professional training in the industry of financial service with a flow of emerging training packages.
- Private sector banks should take measures to satisfy the employees through career management strategies. Generally in banking sector where the ladder is very narrow and due to more departments and functional aspects the career path is more of horizontal than vertical one i.e. posting to different functional departments. Too many shifts would actually reduce the satisfaction level of the employees especially those who fall in the age group of 40-50 and above 50, as this age group seek a vertical ladder path. Horizontal departmental transfers must be made only with the consent of the employees so that they can give their best and their maximum involvement can be seen, resulting in better employee productivity.

- Though there are enormous reward and recognition policies to motivate the employees as stated earlier, 11% are still not clear about the selection criteria for reward system. It is very important to retain this group and keep them engaged. The banks should conduct training session to the new recruits explaining the reward system.
- It is also observed that in all the selected banks rewards and recognition is given mainly for the marketing team to promote more sales and bring new customers for the bank. Rewards are given for increasing the profits and sale of the business and not for performing their duties effectively and efficiently. This aspect is demoting all the other functional department employees, where in the banks should overcome from this back drop through implementing a motivational reward system for all the departments.
- There is a clear evident that the employees who fall in the age group of 40-50 years and above 50 years are satisfied with recognition strategies than financial rewards. Hence to keep these category employees engaged they should be frequently recognized and for the rest of the groups, E – Certificate and monetary rewards points would be ideal. These points can be linked to the online shopping sites so that the employees can redeem according to their requirements and needs.
- Employees, in public sector banks as well as in Karnataka bank must be given freedom to the employees to build up strategies and experiment with new and innovative ideas which help in improving the employee engagement.
- Since the jobs are quite routine day to day in the banking system whether in private sector or public sector it is very important to motivate and keep them engaged for better performance and productivity. In this connection Reward and Recognition system plays a pivotal role in retaining and motivating the employees.
- The Bank should never ignore the complaints raised by the employee's even though they are considered small. In order to build up 'My Family' kind of environment their problems and suggestions must be taken care of, and this would 100% motivate the employees to be fully engaged.
- Most of the private bank employees work on the stress of losing the job, this thought reduces the satisfaction level of the employees as they would be working with the fear. Such perception reduces employee engagement and it would spoil the environment in long run. Therefore, the banks should device strategies which ensure job security and job satisfaction among the employees.

Nevertheless, it is a great strength for the public sector banks that they have high degree of satisfaction

than compared to private sector banks and that they are really proud of being a part of the bank and would think twice before quitting their job.

## XI. CONCLUSIONS

Banking sector is a service industry and hence it is very much necessary for all the banks whether it is private sector bank or public sector bank, to concentrate on satisfaction of the employees, as on an average employees spend more than 65% of their working life to the company itself (Yattoo, 2000). Human Resources is the back bone for the survival of any organization. Therefore, proper Human Resource Development (HRD) policies and practices become the key for the existence and success of the organization. It is true that only innovative, malleable and pragmatic approach could effectively solve the problems relating to people, it is also possible to trawl useful principles based on practice to deal with human-related facets.

If the employees are engaged the performance levels will be higher, they would sell harder, provide better service and produce enriched quality with lesser defects.

Employee engagement is one of the strategies that act as a lever that can move the needle to all the above motives.

A highly engaged employee will consistently deliver beyond expectations (Rathi 2011, Prabha 2012, Sharmila, 2013). A productive employee with a sense of ownership and strong bond with the company, creating a ripple effect resulting in positive environment. The approaches aimed at excelling employee engagement will significantly improve their involvement which in turn have a quantifiable effect on human capital variables such as retention and motivation. Hence the Human Resource Development is the only tool that accelerates all the above aspects and keep the employees much satisfied.

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