

## IMPACT OF EMPLOYEE ENGAGEMENT PRACTICES ON EMPLOYEE PERFORMANCE IN BANKING FIELD

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### Abstract

**Introduction:** In the challenging and competitive environment of today, organisations and institutes are constantly working to improve employee performance. The current study set out to determine how employee performance and other facets of employee engagement were impacted by training and development practises. Workplace culture, professional growth, organisational commitment, and employee wellness are some of these factors. To collect primary data, a self-administered questionnaire was given to 135 respondents.

**Objectives:** The main objectives are to study the impact of employee engagement practices on employee performance in banking field.

**Methods:** Descriptive Research is adopted for this study. The study comprises mixed data method that both primary and secondary data were adopted. This study adopted a quantitative approach, including an online questionnaire with identifying questions and two scales. The sample was drawn at random from a population of 135 employees and management staff from various banks. The questionnaire data was evaluated using descriptive statistics and correlation analysis. As a result, this analysis includes both public and private sector banks.

**Results:** The study's findings showed that training and development significantly affect job satisfaction and organisational commitment, working environment, career development, employee wellness appear to be an effective way in developing a strong relationship with employee performance.

### Abbreviations:

**EE**–Employee Engagement

**JS**–Job Satisfaction

**Keywords:** Employee engagement practices, training and development, working environment, job satisfaction, employee performance

### 1. Introduction

Employee engagement has grown dramatically in importance over the past 20 years and is now recognised as a strong source of competitive advantage. Every organisation must take significant action to create a high-performing workplace culture. It won't work to just state their mission statement. They require personnel in order to do the duties competently. The physical and emotional health of their workers is one of the crucial areas on which HR managers will need to focus as businesses across industries struggle to survive and overcome fierce competition. Employee engagement is widely recognised as a critical, potent source of competitive advantage in these difficult times.

The study focuses on examining the effects of engagement practices on employee performance through a variety of variables, including the work environment, organisational commitment, job satisfaction, career development, and employee wellness, as these are crucial for promoting organisational growth and laying the groundwork for increased employee engagement and performance.

## **2. Theoretical aspects of employee engagement**

### **2.1 Drivers of engagement**

The research on engagement drivers also revealed the following other findings:

- Employees' personal resources - It has been discovered that people are more likely to be engaged with a company when they believe in their own ability and strength.
- Perceptions of the importance of the job among employees - more than all other employee criteria taken together, an employee's attitude toward the company and the significance of the job had a significant impact on loyalty and customer service.
- Employee understanding of job expectations - If job expectations are unclear and essential tools and materials aren't provided, negative emotions like boredom or resentment may surface, and the employee may then become more concerned with getting by than with how he can contribute to the productivity of the business.
- Opportunities for professional growth and progress - Plant managers and supervisors reported that many plant improvements were being undertaken outside of the recommendation system, where workers were driving changes in order to profit from bonuses provided by the resulting cost reductions.
- Regular engagement with superiors and feedback from them - Feedback is essential for helping employees understand where they are going, yet many firms are remarkably lousy at giving it. In fact, when workers perceive their supervisors as helpful, their engagement levels increase by 67%.
- The level of interpersonal harmony among coworkers, superiors, and subordinates. No amount of pay will be able to convince a worker to provide their all-out effort if their connection with management has broken down. A worker's level of happiness at work directly reflects their level of happiness with their manager.

#### **2.1.1 Job satisfaction**

A contented employee is always valuable to a company because they put forth extra effort to produce their best work. Each employee strives to achieve a healthy work-life balance and excellent professional development in order to enhance his job performance. When someone is content with their employer and job, they will go above and beyond to support the business.

#### **The positive effects of job satisfaction include:**

1. If employees are happy in their jobs, their productivity will increase at work.
2. A higher level of commitment as a result of elevated employee loyalty.
3. Greater employee job satisfaction eventually results in increased revenue for the business.
4. High staff retention is possible if employees are satisfied.

### **3. Objectives**

1. To study the impact of employee engagement practices on employee performance
2. To understand the mediating role of employee engagement on employee performance in banking sector
3. To identify the factors that contribute to employee job satisfaction in banking sector

### **4. Literature Review**

#### **4.1.1 Job satisfaction and employee engagement:**

(Allam, 2023) examines whether job engagement mediates the association between emotional weariness and job satisfaction among financial sector employees in his study. A survey was utilised to assess 200 responses from people working in the financial sector. To collect data, a number of methods were used, including emotional exhaustion, job happiness, job involvement, and biographical information from bank personnel. A structural equation model was used to investigate the correlations. The findings revealed a favourable relationship between emotional weariness and job participation, as well as a relationship between job involvement and job satisfaction.

(Vorina, 2017) According to the author's research, there is a strong and statistically significant association between job satisfaction and employee engagement (5% level of significance). The data also demonstrate that there is no statistically significant relationship between gender and employee engagement or job satisfaction.

(Abraham, 2012) aimed to investigate the impact of job satisfaction on employee engagement, a descriptive study was undertaken among the various employees of a private insurance firm in Cochin. The data was acquired using a questionnaire that included the work satisfaction subscale and the Gallup 12 measure of employee engagement.

The correlation findings revealed a link between work satisfaction and employee engagement. The regression analysis results revealed that a variety of elements, including the nature of the job, acknowledgement of one's efforts by superiors, a sense of teamwork, and cooperation between multiple departments, had an impact on a moderate degree of employee engagement.

#### **4.1.2 Employee dedication and involvement:**

(Fadhilah, 2023) in their study sought to ascertain the impact of authentic leadership style on employee performance via work engagement and employee citizenship behaviour as mediators. It investigates the relationship between authentic leadership, work engagement, organisational citizenship behavior, and employee performance by developing a new model for the relationship between those variables and determining whether the authentic leadership style is used in the work environment of Bank Pembangunan Daerah of West Kalimantan in general.

According to the findings of this study, authentic leadership has a favourable and significant impact on employee performance, job engagement, and employee citizenship behaviour. According to the findings of this study, authentic leadership has a favourable and significant impact on employee performance, job engagement, and employee citizenship behaviour.

(Shuck, 2017) Here, the writers focused on theories that had been looked into through correlation and hierarchical regression. Job fit, affective commitment, mental health, as well as discretionary effort and the intention to leave the organisation, were all significantly connected with employee engagement. It is noted that there is a potential strategic leverage point for promoting the expansion of employee engagement as a means of boosting organisational performance in light of the implications for research and practise in human resource development.

#### **4.1.3 Engagement of employees and training and development**

Numerous academics have conducted in-depth research on the relationship between TD & EE. The existence of two distinct types of owners and managers in the organisation was highlighted by (al., 2009). Someone who causes a problem when training and development come after employee engagement, as well as other individuals who care about their employees. Employee motivation is thought to be highest among the other group of managers. Shuck and Herd (2012) assert that TD is associated with employee engagement and is essential for the expansion of organizations.

#### **4.2 Research Gap:**

The research has substantially pinpointed the variables affecting worker performance and happiness at work. Employee engagement practises have been recognised as a way to bridge the research gap and improve the performance of employees. The study also focuses on the several facets of employee engagement, where these practises would aid banking employees in doing well through developmental programmes. One of the most important factors, particularly in the banking industry, is the physical and mental health of employees. HR managers must concentrate on doing everything possible to endure and outperform this fierce competition.

#### **4.3 Problem Statement**

The unpleasant working environment and inadequate training programmes are impeding employee engagement. Job satisfaction is essential for expansion and confirms the business's position in the marketplace. Because of this, ensuring employee satisfaction at work is crucial.

Low level employees, managers, laborers, and staff are the main resources needed to participate in the company. Employee performance can be improved by introducing a work happiness variable. According to this study, employee engagement and job satisfaction all mediate the working environment, training and development, and employee performance.

**5. Research Design:**

**5.1 Type of Research – Descriptive Research**

**5.1.1 Area of Research-** The present study is taken from employees of private banks in Salem District.

**5.1.2 Sampling Technique-** Simple Random method was adopted.

**5.2 Frequency Distribution**

**Table 1:**

Variable	No.of.respondents	Percentage
<b>Gender</b>	Male	53%
	Female	63%
<b>Age</b>	26-30	52%
	31-35	30%
	36-40	10%
	Above 40	8%
<b>Education</b>	Bachlors degree	65.2%
	Masters degree	34.8%
<b>Work experience</b>	1-3 years	57.8%
	4-6 years	29.6%
	7-9 years	6.7%
	Above 10 years	5.9%
<b>Department</b>	Clerical staff	40.2%
	Subordinate staff	31.4%
	Officer grade	28.4%

**Source: Primary data**

According to the frequency distribution results (Table 1), out of 135 respondents, 53% were men and 63% were women. Furthermore, 52% of the population falls between the ages of 26 and 30. Thirty percent are between the ages of 31 and 35. 10% are between the ages of 36 and 40, and 8% are above 40. According to the respondents' educational backgrounds, 65.2% had bachelor's degrees and 34.8% had master's degrees. 53.8% of respondents have less than one year of work experience, 29.6% have between one and four years, 6.7% have five to nine years, and 5.9% have more than ten years. 40.2% of the population belonged to the administrative cadre, 31.4% to the support staff, and 28.4% to the officer grade.

**5.3 CORRELATION ANALYSIS**

Correlation coefficients were calculated for the overall sample's various Employee Engagement variables. The findings show a considerable beneficial relationship between training and development and job satisfaction, organisational commitment, working environment, career progression, and employee wellness.

**Table 2: Employee involvement aspects (Correlation analysis)**

Factors	Training and Development	Sig.
Job satisfaction	0.586	.000
Organizational commitment	0.489	.000
Working environment	0.454	.000
Career development	0.509	.000
Employee wellness	0.511	.000

**Source: Primary data**

### 5.4 CHI - SQUARE ANALYSIS

#### Classification of the Respondents based on employee engagement practices and employee performance

H0: There is a significant association between the employee involvement practices and employee performance with the employee engagement.

**Table 3:**

Training and Development practices	EMPLOYEE PERFORMANCE				X <sup>2</sup>	P-Value	H0 accepted/ Rejected
	Low	Medium	High	Total			
YES	21 (25.4%)	27 (24.8%)	31 (28.0%)	79 (79.0%)	4.352	<b>0.360</b>	Accepted
NO	22 (18.3%)	16 (17.8%)	18 (19.9%)	56 (56.0%)			
Total	43 (43.0%)	43 (44.0%)	49 (48.0%)	135 135.0			

**Source: Primary data**

The results of the respondents' methods for training and development and the effects they had on performance is shown in the table above. A low level of satisfaction with training and its effect on employee performance is expressed by 25.4% of the respondents, a medium level of satisfaction with their performance is expressed by 24.8% of the respondents, a high level of satisfaction with their performance is expressed by 28.0% of the respondents, and a high level of satisfaction with their performance is expressed by those who engage in training and development practises as a mediator.

#### INFERENCE

The table shows that the P value is.360; because the P value is greater than 0.05, the null hypothesis is accepted at the 5% level of significance. As a result, it is stated that there is no substantial relationship between respondents' income levels and their degree of satisfaction with their Employee Engagement.

### 5.5 Job Satisfaction of employees

**Table 4:**

S.No	Factors	Percentage Position	Calculated Value	Garret Value	Total	G.S	A.S	Rank
1	Workplace environment	100(1-0.5)/5	10	75	135	10125/135	75	2
2	Recognition	100(2-0.5)/5	30	60	135	20030/135	148.3	1
3	Rewards	100(3-0.5)/5	50	50	135	6750/135	50	3
4	Salary	100(4-0.5)/5	70	40	135	5400/135	40	4
5	Promotion	100(5-0.5)/5	90	25	135	3375/135	25	5

**Source: Primary data**

### **Inference:**

**From the table 4**, out of the listed 5 major factors, Recognition, working environment and rewards were most important factors driving the employee job satisfaction.

### **Conclusion:**

The importance of company performance through employee engagement strategies is the study's main point of interest. The success of an organisation is influenced favourably by the working environment, training and development opportunities, employee performance, and job satisfaction. According to the most recent research, giving employees a fun work environment and training opportunities through employee engagement strategies results in happier employees who stay with the company longer and help it grow. The relationship between the workplace, employee development, and organisational performance depends heavily on employee satisfaction and engagement. An organization's performance suffers in some ways without employee engagement and satisfaction. The level of employee engagement serves as a link between the organization's performance and the working environment, training, and other factors.

### **Further Scope of research:**

Based on the findings of this analysis, future research could potentially benefit from some enhancements. It goes without saying that it is crucial to boost employee satisfaction, and a strong weapon in attaining this goal is a job that is a good fit for the candidate. A research study might focus on the issue of how successful companies choose the best employee for the position and guarantee their satisfaction. The study may also concentrate on in-depth approaches used by companies to raise customer satisfaction. There is certainly more to discover about how to create employee engagement programmes for a company. Both the academic community and other organisations might profit from this study.

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