

# Effectiveness of Employee Engagement : A Path to Success – A Study with special reference to IndusInd Bank, Chennai.

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## **ABSTRACT**

*Employee engagement plays a vital role for the success of the company. Employee engagement is a process, it consists of various aspects which would make an employee loyal and increase the performance. It is a positive behavior held by the employee towards its employees. Employee engagement leads to increased productivity, retention, satisfaction. This study was undertaken to measure the effectiveness of employee engagement and to recommend suggestions to improve the it through effective employee engagement activities for the bank throughout the year and for each branch, hub and Corporate offices separately. The results of the study would throw new light on the effectiveness of employee engagement and appropriate suggestions to improve the employee engagement activities.*

## **1.1 INTRODUCTION OF THE STUDY**

It is a concept that is generally viewed as managing discretionary effort, that is, when employees have choices, they will act in a way that furthers their organization's interests. An engaged employee is a person who is fully involved in, and enthusiastic about, his or her work. Most organizations today realize that a 'satisfied' employee is not necessarily the 'best' employee in terms of loyalty and productivity. It is only an 'engaged employee' who is intellectually and emotionally bound with the organization, feels passionate about its goals and is committed towards its values who can be termed thus. He goes the extra mile beyond the basic job responsibility and is associated with the actions that drive the business. Moreover, in times of diminishing loyalty, employee engagement is a powerful retention strategy. The fact that it has a strong impact on the bottom-line adds to its significance. ***"Employee engagement is a barometer that determines the association of a person with the organization."***The key ingredients of an engaged employee is :

- Tenure with the organization
- Display of emotional involvement in what he does
- Doing more than what is expected
- Displaying pride in the place he work

### **Engagement Activities**

Employee Engagement activities is one of the major criterion to know about the success of any organization whether it is a small or big one. Some of the employee engagement activities are

- Special days celebration
- Awards & Recognition Programs

- Performance Management
- Team building games
- Awareness programs
- Motivational talk

## 1.2 COMPANY PROFILE

### 1.2.1 COMPANY BACKGROUND

IndusInd Bank incorporated in April 1994 derives its name from the Indus Valley civilization. The bank was the vision of Srichand P Hinduja, a Non-Resident Indian businessman and head of the Hinduja Group.

A decade after its incorporation, June 2004, the bank was merged with Ashok Leyland Finance, which is among the largest leasing finance and hire purchase companies in India.

IndusInd Bank has emerged as one of the fastest-growing banks in the banking sector in India. Currently it has a network 180 branches along with 183 ATMs.

IndusInd Bank, which began in 1994, boasts of 573 branches, and 1055 ATMs spread across 392 locations of the country. We also have representative offices in London and Dubai, catering to every need of the customer.

It is the first Indian bank to receive ISO 9001:2000 certification for its corporate office and its entire network of branches.

The bank has entered into a strategic alliance with **Religare Securities** for offering a value-added 3-in-1 savings accounts-linked package to customers – comprising a savings bank account, a depository account, and an Internet trading account.

## 1.3 OBJECTIVES OF THE STUDY

### Primary Objective

To evaluate the effectiveness of employee engagement at IndusInd Bank.

### Secondary Objectives

- To assess the employee satisfaction towards the workplace
- To suggest ways to improve the employee engagement activities by designing an employee engagement calendar for the entire year.

## 1.4 SCOPE OF THE STUDY

- This study helps to know the various factors of employee engagement at IndusInd bank.
- To suggest employee engagement activities which would help the employees to improve their performance.

## 2. THEORETICAL BACKGROUND

### 2.1 EFFECTIVENESS OF EMPLOYEE ENGAGEMENT

Today's business performance challenges are greater than ever. Organizational leaders must execute strategic, structural, financial, and operational changes to ensure their business prospers today, while also reshaping their + for future success. Achieving organizational goals requires holistic thinking and integrated action. In order to achieve increased and sustainable business results, organizations need to execute strategy and engage employees. To create organizational effectiveness, business leaders need to focus on aligning and engaging their people, the people management systems, the structure and capabilities (including organizational culture) to the strategy. This engagement results in higher financial performance, higher customer satisfaction and higher employee retention. An organization that can sustain such alignment will achieve increased business results. Organization

performance is often measured by effectiveness. At present, society and business are witnessing unprecedented change in terms of the global nature of work and the diversity of the workforce. Organizations in the world are moving forward into a boundary-less environment. Having the right talent in pivotal roles at the right time is of strategic importance, making a difference to revenues, innovation and organization effectiveness. The ability to attract, engage, develop and retain talent will become increasingly important for gaining competitive advantage. Thus companies are competing for talented people who are having high performance and high competence in workplace. However, achieving organizational effectiveness is the ultimate purpose to be focused by any organization that takes enormous effort to maximize employees' task efficiency, commitment, and sustain intrinsic motivation to perform well. This is why efforts to improve organizational performance have begun to inculcate positive organizational concepts like optimism, trust, and engagement. In order to compete effectively, employers need to go beyond satisfaction - employers must do their best to inspire their employees to apply their full potential and capabilities to their work, if they do not, part of the valuable employees' resources remains unavailable for the company. Therefore, modern organizations expect their employees to be full of enthusiasm and show initiative at work, they want them to take responsibility for their own development, strive for high quality and performance, be energetic and dedicated to what they do – in other words companies want their employees be engaged.

### **3.LITERATURE REVIEW**

#### **3.1 LITERATURE REVIEW**

Kular et al. (2008) explored Five key areas: What does 'employee engagement' mean?; How can engagement be managed?; What are the consequences of engagement for organisations?; How does engagement relate to other individual characteristics?; How is engagement related to employee voice and representation? Robertson-Smith and Markwick (2009) throw light on what engagement is and reveals that it is an important yet complex challenge, and there remains a great deal of scope for discussing the various approaches.

Simpson (2009) discussed that the current state of knowledge about engagement at work through a review of the literature. This review highlighted the four lines of engagement research and focuses on the determinants and consequences of engagement at work.

Susi &Jawaharrani (2011) examined some of the literature on Employee engagement, explore work-place culture & work-life balance policies & practices followed in industries in order to promote employee engagement in their organizations to increase their employees' productivity and retain them. Work-life balance is key driver of employees' satisfaction.

### **4.RESEARCH METHODOLOGY**

#### **4.1 RESEARCH METHODOLOGY**

The Research methodology is a science of collecting and presenting facts in such a way that it leads to unearthing truths (or) angles of reality. Research is a common parlance refers to search for knowledge. In fact, research is an art of scientific investigation. It can also be defined as a scientific and systematic search for pertinent information on a specific topic.

The process used to collect information and data for the purpose of making business decisions. The methodology may include publication research, interviews, surveys and other research techniques, and could include both present and historical information.

##### **4.1.1 RESEARCH DESIGN:**

Research design is the specification of the method and procedure for acquiring the information needed to solve the problem. The research design followed for this research study is descriptive research design where we find a solution to an existing problem. The

problem of the study is to find out the “effectiveness of the employee engagement” and suggest ways to improve it

#### 4.1.2 DATA COLLECTION METHOD:

Survey method is considered the best method for data collection of data and the tools used for data collection are Questionnaire.

#### 4.2 SOURCE OF DATA:

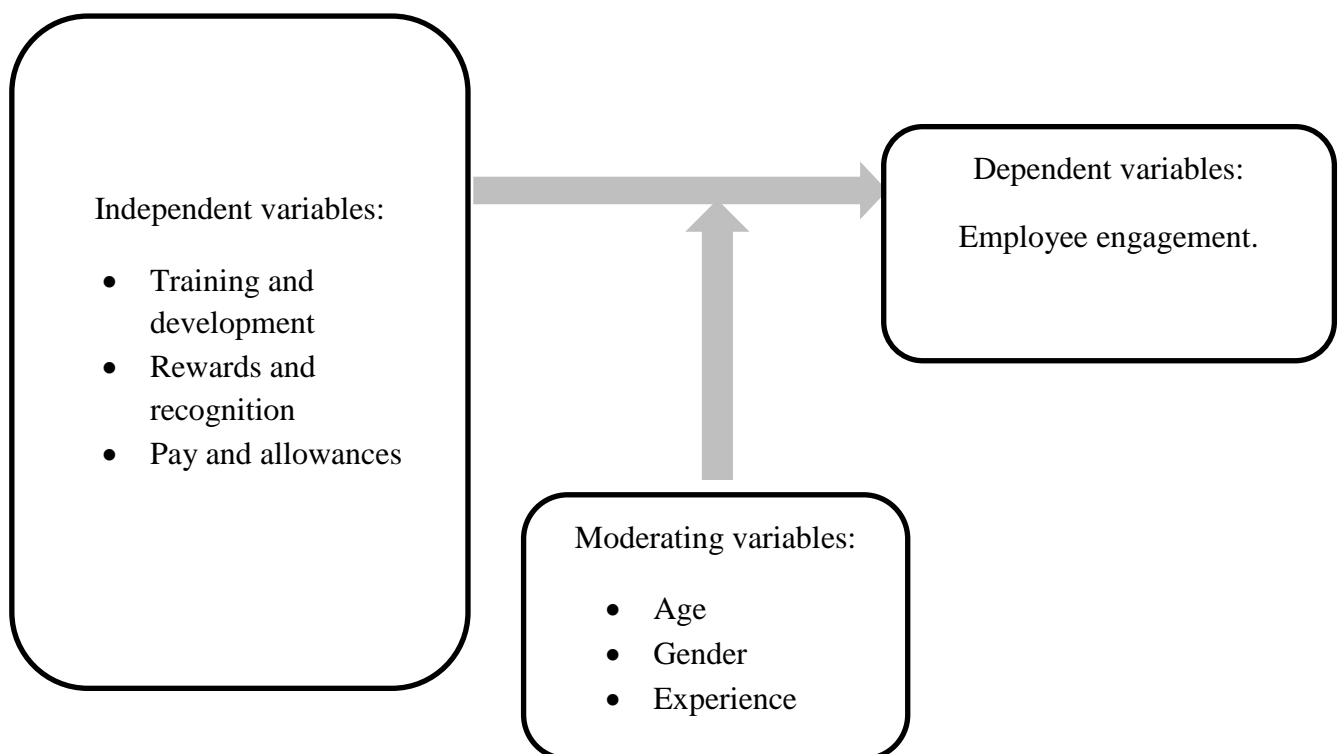
The two sources of data collection are namely Primary & Secondary.  
**Primary Data:** Primary data are fresh data collected through survey from the employees using the questionnaire. Questionnaire helps to recognize the employee’s perception regarding the employee engagement & their problematic areas.  
**Secondary Data:** Secondary data are collected from the past records & books and various journals, magazines etc. regarding the Employee engagement.

#### 4.3 STATISTICAL TOOL

The statistical tool used for analysis is Percentage analysis and chi- square test. Percentage analysis is a method used to represent raw streams of data as a percentage for better understanding of the collected data. The chi-square statistic is used for testing the relationship between two categorical variables.

**Sample size:** The sample size is 57

#### 4.4 RESEARCH FRAMEWORK ON EFFECTIVENESS OF EMPLOYEE ENGAGEMENT



#### 5. DATA ANALYSIS AND INTERPRETATION

##### METHODS USED FOR DATA ANALYSIS AND INTERPRETATION

Two methods are used for analyzing and interpreting the data in this project. They are listed below :

- PERCENTAGE METHOD
- CHI SQUARE TEST USING SPSS

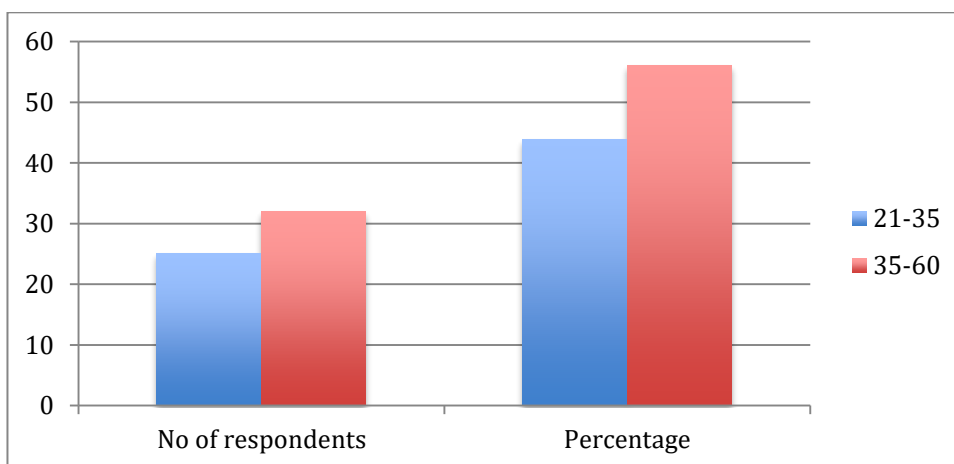
Based on these two methods the data are analyzed and interpreted to give the necessary suggestions and conclusions.

### 5.1 AGE GROUP OF THE RESPONDENTS

**TABLE 5.1.1**

Particulars	No of Respondents	Percentage
21-35	25	44.67
35-56	32	55.37
Total	57	100

**CHART 5.1.1**



### INFERENCE

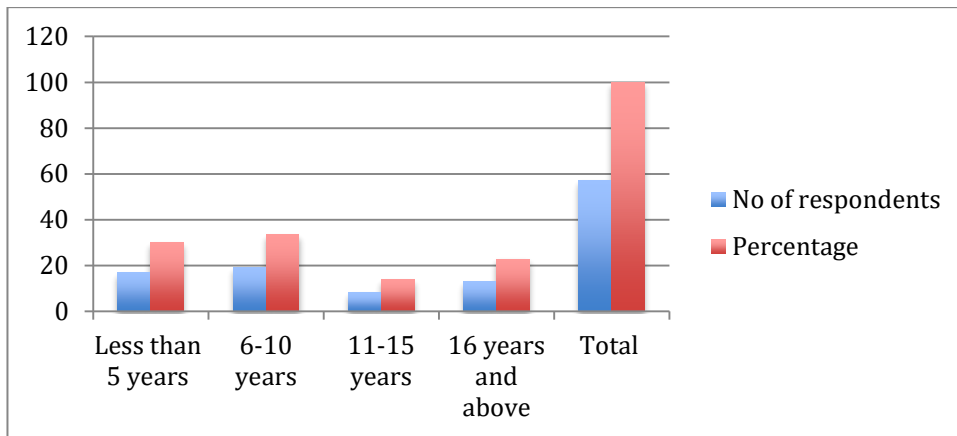
From the above table it is referred that 44.67% of employees are in the age group of 21-35 and 55.37% of employees are in the age group between 35-60.

### 5.2 WORK EXPERIENCE OF THE RESPONDENTS

**TABLE 5.2.1**

Particulars	No of respondents	Percentage
Less than 5 years	17	29.82
6-10 years	19	33.33
11-15 years	8	14.03
16 years and above	13	22.80
Total	57	100

**CHART 5.2.1**



**INFERENCE**

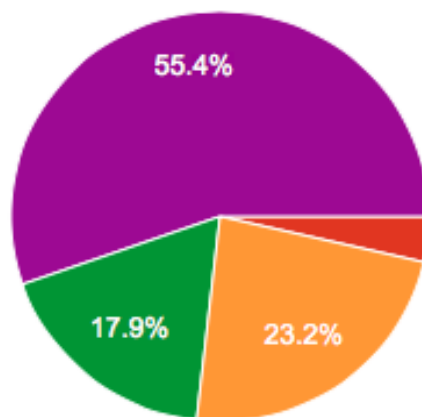
From the above it can be referred that 29.82% of employees have work experience of less than five years, 33.33% of employees have experience from 6-10 years, 14.03% of employees have 11-15 years of experience and 22.80% have above 16 years.

**5.3 THE ORGANISATION ENCOURAGES NEW IDEAS**

**TABLE 5.3.1**

S.no	Options	No of respondents	Percentage
1	Strongly Disagree	0	0
2	Disagree	2	3.6
3	Neutral	13	23.2
4	Agree	32	55.4
5	Strongly Agree	10	17.9

**CHART 5.3.1**

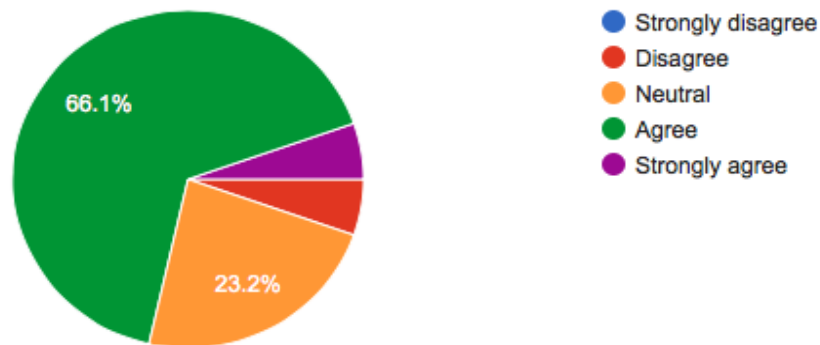


**INFERENCE**

From the above it can be referred that 55.4% of the employees agree that the organization encourages new ideas and 23.2% of the employees are neutral towards the statement that the organization encourages new ideas, and 17.9 % of the employees Strongly agree that the organization encourages new ideas and about 3.6% of the employees disagree. This clearly shows that the organization encourages new ideas.

**5.4 SATISFACTION OF REWARDS AND RECOGNITION****TABLE 5.4.1**

S.no	Options	No of respondents	Percentage
1	Strongly Disagree	0	0
2	Disagree	3	5.4
3	Neutral	13	23.2
4	Agree	38	66.1
5	Strongly Agree	3	5.4

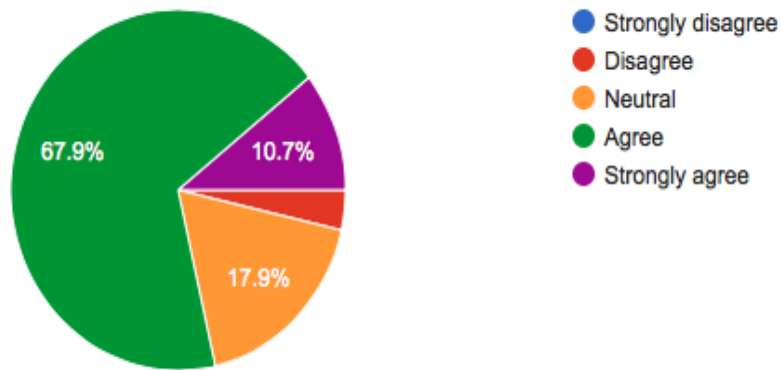
**CHART 5.4.1****INFERENCE**

From the above it can be referred that 66.1% of the employees are satisfied with the rewards and recognitions provided by the bank and about 23.2% of the employees are neutral towards the statement, 5.4 % of employees strongly agree, 5.4 % of employees disagree. Hence it clearly proves that the majority of the employees are satisfied with the rewards and recognition provided by the bank.

**5.5 THE MANAGEMENT PROVIDES ADEQUATE T&D PROGRAMS****TABLE 5.5.1**

S.no	Options	No of respondents	Percentage
1	Strongly Disagree	0	0
2	Disagree	2	3.6
3	Neutral	10	17.9
4	Agree	39	67.9
5	Strongly Agree	6	10.7

**CHART 5.5.1**



**INFERENCE**

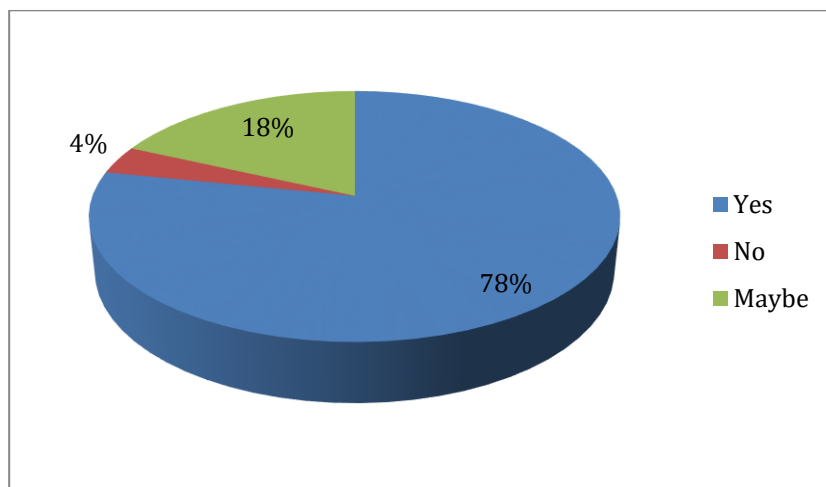
From the above it can be referred that 67.9% of employees agree that the management provides adequate training and development programs, and 17.9 % of employees are neutral towards the statement 10.7 % strongly agree, 3.6 % disagree that the management provides adequate T&D programs. Hence it can be clearly seen that the majority of the employees agree that the management provides Adequate T&D programs.

**5.6 THERE IS SUFFICIENCY OF INCOME TO MEET FAMILY EXPENSES**

**TABLE 5.6.1**

S.no	Options	No. of respondents	Percentage
1	Yes	44	78.2
2	No	2	3.6
3	Maybe	10	18.2

**CHART 5.7.1**





**METHOD – CHI SQUARE**

To test the relationship between work experience and monthly income of the employees

H0 – There is no relationship between monthly income to meet family expenses and the work experience

H1 – There is a relationship between monthly income and the work experience of the employees.

**LEVEL OF SIGNIFICANCE - 0.05**

**Case Processing Summary**

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
VAR00005 * VAR00009	57	100.0%	0	0.0%	57	100.0%

**MONTHLY INCOME MEET THE FAMILY EXPENSES ? Cross tabulation**

**VAR00005 \* VAR00009 Crosstabulation**

Count

		VAR00009					Total
		1	2	3	4. There is sufficiency of income to meet your family expenses.		
VAR00005	less than 5 years	1	1	5	10	0	17
	6-10 years	0	0	3	15	0	18
	11-15 years	0	1	1	6	0	8
	16 years and above	0	0	1	12	0	13
	Work experience	0	0	0	0	1	1
Total		1	2	10	43	1	57

**Chi-Square Tests**

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	65.991 <sup>a</sup>	16	.000
Likelihood Ratio	19.396	16	.249
N of Valid Cases	57		

**Symmetric Measures**

		Value	Approximate Significance
Nominal by Nominal	Phi	1.076	.000
	Cramer's V	.538	.000
N of Valid Cases		57	

**INFERENCE**

From the above calculation it is clear that the P- VALUE (.000) is less than the level of significance reject H0 and accept H1, Hence this clearly proves that there is a relationship between the monthly income sufficiency and the age.

**6. FINDINGS AND SUGGESTIONS****6.1 FINDINGS**

- This study shows that the management provides adequate training and development programs and the employees are able to acquire skills from the training programs. They are satisfied with the training programs since they are able to implement in the job.
- The employees are satisfied with the rewards and recognitions provided by the bank and there is availability of scope for non-financial rewards.
- There is not much clarity regarding the employee engagement activities conducted monthly, half-yearly, quarterly and yearly.
- There is a relationship between employee engagement activities, monthly income, satisfaction, and opportunity to learn new concepts and skills, Learningclimateto the work experience of employees.
- The employees are engaged since their monetary needs are met more engagement activities can be conducted to so that the employees would feel like a part of the organization

**6.2 SUGGESTIONS**

- Since the employees need more clarity regarding the employee engagement activities taking place throughout the year, an employee engagement calendar for the entire year is designed. The employee engagement calendar is designed for Branch, Hub and Corporate.
- Recognition surveys can be taken.

**7 CONCLUSION**

This study is on an “**EFFECTIVENESS OF EMPLOYEE ENGAGEMENT**” was helpful to know the various factors of employee engagement and analyze employees satisfaction. Employee engagement activities helps to improve the engagement levels of the employees and hence an employee engagement calendar was designed for the activities throughout the year. This will give the employees clarity and also improve their performance. Employee engagement will reduce worker turnover, increase productivity and profitability. It also proved by the results that effectiveness can be calculated which is positive after employee engagement activities. Hence employee engagement is of more importance, where it tells the

level of satisfaction of employees and it is very important for the company to keep the employees engaged since engaged employees are the most productive employees.

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