

Impact of Employee Engagement on Employee Satisfaction in Financial Service Sector in India: A Comparative Study between E & Y and KMPG Financial Company

***Shipra Goyal,**

Research Scholar, Department of Commerce & Management,

The IIS University, Jaipur – 302020, Rajasthan, India.

E-Mail ID – Goyalshipra.richa@gmail.com

****Dr.Shuchi Singhal,**

Associate Professor, Department of Management, IIIM, Jaipur – 302020, Rajasthan, India.

Abstract

This paper takes a cautionary stance to the impact of employee engagement on employee satisfaction, on E& Y and KMPG financial sector in India. The objective of the study is to analyse the impact of employee engagement on employee satisfaction in E & Y and KMPG financial sector. Multiple correlation analysis is used to prove the hypotheses base on the different determinants of employee engagement. Results reveal that all the factors of employee engagement have significant relationship between employee satisfaction in E & Y and KMPG companies. Whereas E & Y company's employee engagement factors exerts greatest influence on the employee satisfaction. These findings contribute to the literature relating to employee engagement and have HR implications for bringing traffic into financial sector.

Keyword: Employee engagement, employee satisfaction, financial sector.

Introduction

Employee engagement is a property of the relationship between an organization and its employees. An "engaged employee" is one who is fully absorbed by and enthusiastic about their work and so takes positive action to further the organization's reputation and interests. Employee engagement is a workplace approach designed to ensure that employees are committed to their organization's goals and values, motivated to contribute to organizational success, and are able at the same time to enhance their own sense of well-being.

An organization with 'high' employee engagement might therefore be expected to outperform those with 'low' employee engagement, all else being equal. There are, however, a range of definitions that have emerged around concepts relating to employee engagement. Research has looked at the involvement, commitment and productivity of employees. Organizations have often had a focus on how to generate engagement, rather than seeking objective ways to measure it. Care must therefore be taken when looking at some of the statistics presented around engagement.

According to Kahn, engagement means to be psychologically as well as physically present when occupying and performing an organizational role. Most often employee engagement has been defined as emotional and intellectual commitment to the organization (Baumruk, 2004; Richman, 2006 and Shaw, 2005) or the amount of discretionary effort exhibited by employees in their job (Frank et al., 2004).

Review of Literature

SiddhantaAbhijit, Roy Debalina,(2010) conducted research on "A study of Employee engagement Engaging the 21st century workforce" and the purpose of this research article isto study the impact of employee engagement on employee performance. Findings revealed

that An organization should also know how to project and communicate the success stories of the organization to the employees. Thus employees are able to relate their individual performances with the success and also understand how their performance has a direct impact on the performance of the organization as a whole. This contributes towards enhanced employee engagement. The employees, who perceive their organization to be the best place to work, contribute more. High engagement leads to higher financial performance, higher productivity, higher customer satisfaction and lower manpower turnover.

R. M. Linjuan (2015) conducted research on “Employee Engagement in Relation to Employee–Organization Relationships and Internal Reputation: Effects of Leadership Communication” and the objectives of this research paper is to examine how employee engagement is associated with other outcome variables of employee–organization relationships and internal reputation and how it is driven by organizational contextual factors of authentic leadership and transparent communication. The study found that employee engagement is positively influenced by quality employee–organization relationships (i.e., employee trust, control mutuality, commitment, and satisfaction) and positive internal reputation. As an antecedent, authentic leadership critically affects the nurturing of an organization’s transparent communication and positive employee relational outcomes, which, in turn, enhance reputation and thus employee engagement.

M. Dharmendra and K. M. Naveen (2013) conducted research on “Employee Engagement: A Literature Review” and the objectives of this research paper is to understand the basic concept of employee engagement and to study the different dimensions of employee engagement with the help of review of literature. Research concluded that high levels of employee engagement may lead to improved employee commitment & involvement towards

respective jobs and thus creating a motivated workforce – that will work together to achieve the common goals of the organization.

Objectives of the study

- To find the elements affecting of employee engagement in financial sector.
- To analyse the impact of employee engagement on employee satisfaction in financial sector.

Significance of the study

The significance of this study is to understand the employee engagement in financial sector in India. Through this study it can concluded that:

- The factors influencing employee satisfaction in financial sector.
- What are the employee engagement factors or reasons which influence the employeesatisfaction?

Hypotheses of the Study

H0: There is no significant impact of employee engagement on employee satisfaction in financial sector in India.

HA: There is a significant impact of work environment on employee satisfaction in financial sector in India.

Research Methodology

The present study is exploratory as well as descriptive in nature. Both primary and secondary methods have been used for collecting the data. Structured questionnaire has been administered for the purpose of collecting primary data. The questionnaire was distributed amongst 125 respondents. The stratified random sampling method is used. The questionnaires were designed using 5point likert's scale. Coding and tabulation were done and analyzed by using SPSS software. Findings are presented in form of table and charts.

Table 1

S. No.	Name of Financial Companies	Sample Size
1	E&Y	125
2	KPMG	125
	Total	250

Table: 2

	E&Y	KPMG
Gurgaon	25	25
Mumbai	25	25
Bangalore	25	25
Chennai	25	25
Hyderabad	25	25
Total	125	125

“Universe of Study”

“A sampling plan is detailed outline of which measurement will be taken at what times, on which material, in what manner, and by whom. The criteria of sampling plan undertaken are as follows”:

Table 3

1.	Target Population or Universe	Employees of E & Y and KMPG Financial Sector
2.	Sampling Method	Stratified Random Sampling Method
3.	Sample size	250 Employees
4.	Area of Survey	Gurgaon, Mumbai, Bangalore, Chennai and Hyderabad

3.8 Source of Data Collection

Data collection is the method of collecting and evaluating the information or variables of interest, in an established systematic manner that enables one to answer stated research question, test hypothesis and evaluate outcomes.

In the present study primary data is collected with the help of structured questionnaire. Questionnaire will be filled by the employees of selected four financial sector in India. Primary data is collected through questionnaire from 250 employees of E & Y and KMPG financial sector.

Research Design

Present study is an empirical analysis of “impact of employee engagement on employee satisfaction of E & Y and KMPG financial sector”. The research design has been adopted so as to suit in comparative analysis between two financial sector and empirical analysis based on primary data which is collected through questionnaire. The inner reliability has been tested with the help of Cronbach's Alpha and value attained by using SPSS (version 22.0) is 0.876 which is usually considered.

“In the present study various tools of analysis are used depending upon the nature, need and suitability of the data available and to study the”analysis of determinants of employee engagement of financial sector. “Various tests are applied on the data collected to get significant output and results. Findings”, suggestions, limitations and further scope for the study are also discussed.

Test of Reliability

Table 4: Reliability Statistics

Reliability Statistics		
Parameters	Cronbach's Alpha	N of Items
Organisational Culture	0.787	4
Leadership Quality	0.712	5
Employee Satisfaction	0.890	5
Work Environment	0.798	5
Quality of Work Life	0.756	5

Source: Output of IBM-SPSS 22

“**Reliability of Data:** From the above table we can see that Cronbach's alpha is more than 0.700 which indicates a high level of internal consistency for our scale with this specific sample.”

H₀₂: There is no significant impact of employee engagement on employee satisfaction.

Table: Descriptive Statistics

Descriptive Statistics				
Sector	Parameters	Mean	Std. Deviation	N
E&Y	Work Environment	3.3456	.41221	125
	Employee Satisfaction	3.5936	.49705	125
	Quality of Work Life	3.2640	.42548	125
	Organisational Culture	3.3460	.53202	125

	Leadership Quality	3.5392	.53172	125
KPMG	Work Environment	3.4432	.34602	125
	Employee Satisfaction	3.5952	.43881	125
	Quality of Work Life	3.3408	.28852	125
	Organisational Culture	3.3440	.41841	125
	Leadership Quality	3.6448	.41338	125

Table

Table: Results of the Multiple Correlation Analysis						
Correlations						
Sector			Work Environment	Quality of Work Life	Organisational Culture	Leadership Quality
E&Y	Employee Satisfaction	Pearson Correlation	.598**	.589**	.559**	.631**
		Sig. (2-tailed)	0	0	0	0
		N	125	125	125	125
KMPG	Employee Satisfaction	Pearson Correlation	.184*	.181*	.310**	.261**
		Sig. (2-tailed)	0.04	0.043	0	0.003
		N	125	125	125	125

Source: Output of IBM-SPSS 22

The above table revealed that on the basis of E&Y company there is a significant relationship between all the identified variables of **Employee Engagement** and **Employee Satisfaction**. In case of **Leadership Quality** the value of ' r ' is **0.631** and p value is **0.000**. So it can say that null hypothesis is rejected in case of leadership quality E & Y Company.

In case of **Work Environment** the value of ' r ' is **0.598** and p value is **0.00**. Therefore analysis shows that null hypothesis is rejected in case of work environment E & Y Company.

Quality of Work Life has value of ' r ' is **0.589** and p value is **0.000**. Thus study indicates that null hypothesis is rejected in case of quality of work life in E & Y Company.

Lastly in case of *Organisational Culture* the value of '*r*' is **0.559** and *p value* is **0.000**. Hence analysis indicates that null hypothesis is rejected in case of organisational culture E & Y Company.

Finally study revealed that there is a significant impact of employee engagement practices on employee satisfaction in E & Y Company.

The above table revealed that on the basis of KMPG company there is a significant relationship between all the identified variables of **Employee Engagement** and **Employee Satisfaction**. It has found that *Organisational Culture* the value of '*r*' is **0.310** and *p value* is **0.000**. Hence analysis indicates that null hypothesis is rejected in case of organisational culture.

In case of *Leadership Quality* the value of '*r*' is **0.261** and *p value* is **0.000**. So it can say that null hypothesis is rejected in case of leadership quality KMPG company.

In case of *Work Environment* the value of '*r*' is **0.184** and *p value* is **0.00**. Therefore analysis shows that null hypothesis is rejected in case of work environment KMPG company.

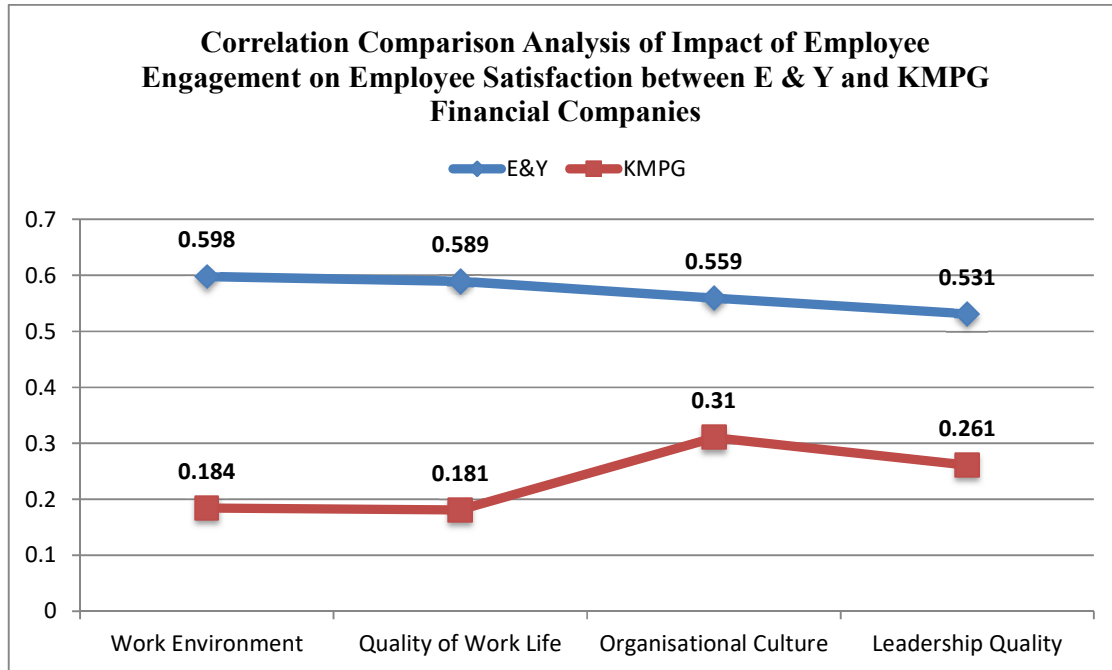
Quality of Work Life has value of '*r*' is **0.181** and *p value* is **0.000**. Thus study indicates that null hypothesis is rejected in case of quality of work life KMPG company.

Finally study revealed that there is a significant impact of employee engagement practices on employee satisfaction in E & Y Company.

Table: Correlation Comparison Analysis of Impact of Employee Engagement on Employee Satisfaction between E & Y and KMPG Financial Companies

Correlation Comparison Analysis of Impact of Employee Engagement on Employee Satisfaction between K & Y and KMPG Financial Companies			
Different Identified Variables		E&Y	KMPG
Work Environment	Pearson Correlation	0.598	0.184
Quality of Work Life	Pearson Correlation	0.589	0.181
Organisational Culture	Pearson Correlation	0.559	0.31
Leadership Quality	Pearson Correlation	0.531	0.261

Chart 1 Chart: Correlation Comparison Analysis of Impact of Employee Engagement on Employee Satisfaction between E & Y and KMPG Financial Companies



It is evident from the above table that identified variables of employee engagement activities as beneficial to the **employee satisfaction**. Above analysis cleared that E&Y company has highest correlation value in all the identified variables as compared to KMPG financial company.

Discussion & Conclusion

Discussion concludes that determinants of employee engagement have a significant impact on employee satisfaction in E & Y and KMPG financial sector in India. In E & Y work environment have value 0.598 ($p= 0.000$), quality of work life have value 0.589 ($p= 0.000$), organisational culture have value 0.559 ($p= 0.000$) and leadership quality have value 0.531 ($p= 0.000$). In KMPG work environment have value 0.184 ($p= 0.000$), quality of work life have value 0.181 ($p= 0.000$), organisational culture have value 0.310 ($p= 0.000$) and leadership quality have value 0.261 ($p= 0.000$).

Conclusion

Effective employee engagement would concern the satisfaction of employees and as well as productivity of organisation. Hence, an organization with 'high' employee engagement might therefore be expected to outperform those with 'low' employee engagement, all else being equal.

As per the above discussion, we can draw the conclusion that determinants of employee engagement have significant impact on employee satisfaction. It has found that E & Y company have highest impact on their employee satisfaction. Work environment is a prominent factor that contributes toward employee satisfaction.

This study reveals that employee engagement of both financial companies have directly or indirectly impact on employee satisfaction. Effective employee engagement ultimately effects on the individual performance as well as organisation performance.

Way Forwarded

There is a big scope for further research on the basis of this study. Some of the research area may be as follows:

- A comparative study between Indian Financial sector & Foreign Financial sector can be done on the same parameters.
- Impact of employee engagement on employee satisfaction in Non-Financial sector can also be studied.
- Future research can be done on the effect of employee engagement on the performance of Financial sector and can be compared with the findings of this study.