

AN EMPIRICAL STUDY OF EMPLOYEE ENGAGEMENT AND CUSTOMER SATISFACTION IN BANKING SECTOR

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Employee engagement is the level of commitment and involvement an employee has towards his organisation and its values. To sustain in this highly competitive environment, unexceptionable level of performance of workers is possible only when workforce reveals tenacious commitment towards their errands. A major problem that banks in India will face, once information and technology implementation reaches its optimum level, is staff retention. They need to train their existing staff to function effectively in the new environment and once the requisite skills are acquired by employees, they may have trouble in retaining the staff. It is in this context that the present study provides an analysis of factors that appear to be relevant in the context of employee engagement in the Indian banking industry. The important factors emerging from the primary survey of bank employees in Delhi are compensation and career growth, rewards and recognition and seniors support factors.

Keywords: *Employee Engagement, Banking Sector*

JEL classification: *J24, J29, G21*

1. Introduction

Nowadays, employees have been given due significance in the organisation as they make a critical difference when it comes to innovation, organisational performance, competitiveness, and thus, ultimately business success. In the past, organisational functioning and success heavily relied on management control and economic principles of cost reduction, efficiency and cash flow. The focus in modern organisations is on the management of human capital with a greater emphasis being laid upon how to retain sincere, dedicated and hardworking employees for the attainment of organisational goals. One needs to provide a harmonious environment, sound working conditions and best of opportunities that inspire employees to give their best, go that extra mile and persist in the face of difficulties. There is a demand for employees, who are energetic, dedicated and who get absorbed by their work. In other words, organisations need engaged workers.

Past researches have mentioned that employee engagement predicts employee outcomes, organisational success and financial performance (e.g. total shareholder return) (Bates,

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2004; Baumruk, 2004; Harter et al., 2002; Richman, 2006). However, the same authors further highlighted that employee engagement is on the decline and there is a deepening disengagement among employees today (Bates, 2004; Richman, 2006). Employee engagement has been defined in different ways. The definitions and measures often sound like other better known and established constructs like organisational commitment and organisational citizenship behavior (Robinson et al., 2004). Most often it has been defined as emotional and intellectual commitment to the organisation (Baumruk, 2004; Richman, 2006; Shaw, 2005). Salanova et al. (2002) mentioned that employee engagement is a continuous process of learning, improvement, measurement and action. It is a constant and broad affective-cognitive state.

Employee engagement is the level of commitment and involvement an employee has towards his organisation and its values. An engaged employee is aware of business context and works with colleagues to improve performance within the job for the benefit of the organisation. It is a positive attitude held by the employees towards the organisation and its values.

To sustain in this highly competitive environment, unexceptionable levels of worker's performance is possible only when workforce reveals tenacious commitment towards their errands. Higher productivity, reliability, higher self-motivation, confidence to express new ideas, loyalty towards organisation, reduced employee turnover and lower absenteeism are some of the attributes of a wholly engaged employee, who in turn acts as a valuable asset to an organisation. Engagement is a state where an individual is not only intellectually committed, but also has a great emotional attachment with his/her job that goes above and beyond the call of duty, to further the interest of the company. An engaged employee shows a lot of enthusiasm towards his work and is happy about his work and above all cares for the future of the organisation.

2. Employee Engagement: Approaches, Antecedents and Consequences

2.1 Three Approaches to Employee Engagement

First, employee engagement is conceived as a set of motivating resources such as support and recognition from colleagues and supervisors, performance feedback, opportunities for learning and development, and opportunities for skill use. The so-called "Gallup-12" questionnaire operationalizes employee engagement in this way. A meta-analysis of studies using this measure in almost 8000 business units of 36 companies showed that levels of employee engagement were positively related to business-unit performance (i.e. customer satisfaction and loyalty, profitability, productivity, turnover and safety). The authors conclude that engagement is related to meaningful business outcomes at a magnitude that is

important to many organisations (Harter et al., 2002).

Second, employee engagement is conceived in terms of commitment and extra-role behaviour, for instance as "a psychological state where employees feel a vested interest in the company's success and perform to a high standard that may exceed the stated requirements of the job" or as "personal satisfaction and a sense of inspiration and affirmation they get from work and being a part of the organisation".

The third approach defines engagement independently from job resources and positive organisational outcomes such as commitment as a positive, fulfilling, affective-motivational state of work-related well-being that is the antipode of job burnout (Maslach et al., 2001).

2.2 Antecedents of Employee Engagement

Kahn (1992) and Maslach et al. (2001) have identified various antecedents of employee engagement which are as follows:

(a) Job Characteristics: According to Kahn (1992), job satisfaction is attained from task characteristics that provide challenging work, variety, allow the use of different skills, personal discretion and the opportunity to make important contributions. This is based on Hackman and Oldham's (1980) job characteristics model and the five core job characteristics are skill variety, task identity, task significance, autonomy and feedback. Jobs that are high on the core job characteristics provide individuals with the room and incentive to bring more of themselves into their work or to be more engaged (Kahn, 1992). Job enrichment is positively related to meaningfulness and meaningfulness mediates the relationship between job enrichment and engagement as is evident in May et al. (2004).

The workload and control conditions suggest the importance of job characteristics for engagement. In fact, job characteristics, especially feedback and autonomy, have been consistently related to burnout (Maslach et al., 2001). Previous studies have mentioned that the engagement levels are low if the employee does not feel secure while working. Therefore, every organisation should adopt appropriate methods and systems for the health and safety of their employees.

Employees want to be involved in decisions that affect their work. The leaders of high engagement workplaces create a trustful and challenging environment, in which employees are motivated to oppose the existing traditional conventions and to input and innovate to move the organisation forward.

Career development influences engagement for employees and retaining the most talented employees and providing opportunities for personal development.

(b) Rewards and Recognition: Fair evaluation of an employee's performance is an important criterion for determining the level of employee engagement. The company which follows an appropriate performance appraisal technique (which is transparent and not biased) will have high levels of employee engagement. The company should have an equitable pay system so that the employees are motivated to work in the organisation. In order to boost their engagement level, benefits and compensation systems may be offered.

Kahn (1990) reported that people vary in their engagement as a function of their perceptions of the benefits they receive from a role. Furthermore, a sense of return on investments can come from external rewards and recognition in addition to meaningful work. Therefore, one might expect that employees will be more likely to engage themselves at work to the extent that they perceive greater amount of rewards and recognition for their role performance i.e. their performance is directly linked to their reward. Maslach et al. (2001) also suggested that while a lack of rewards and recognition can lead to burnout, appropriate recognition and reward is important for engagement. In terms of the Social Exchange Theory (SET), when employees receive rewards and recognition from their organisation, they feel obliged to respond with higher levels of engagement.

(c) Perceived Organisational and Supervisor Support: Psychosomatic safety involves a sense of being able to show and employ the self without negative consequences (Kahn, 1992). An important aspect of safety stems from the amount of care and support employees perceive to be provided by their organisation as well as their direct supervisor. In fact, Kahn (1990) found that supportive and trusting interpersonal relationships as well as supportive management promoted psychological safety. Organisational members felt safe in work environments that were characterized by sincerity and supportiveness. Supportive environments allow members to experiment and try new things and even fail without fear of the consequences (Kahn, 1990). In their empirical test of Kahn's model, May et al. (2004) also found that supportive supervisor relations was positively related to psychological safety.

Communication channel should flow from both top to bottom and bottom to top. If the employee is given participation in the decision making and has the right to be heard by his superior then engagement levels are likely to be high.

Social support is also one of the conditions in the Maslach et al. (2001) model and a study by Schaufeli and Bakker (2004) found that a measure of job resources that includes support from colleagues predicted engagement. Lack of social support has also been found to be related to burnout (Maslach et al., 2001). Two variables that are likely to capture the essence

of social support are perceived organisational support (POS) and perceived supervisor support (PSS). POS refers to a general belief that one's organisation values their contribution and cares about their well-being (Rhoades and Eisenberger, 2002). The basic premise of organisational support research is SET. In particular, POS creates an obligation on the part of employees to care about the organisation's welfare and to help the organisation reach its objectives (Rhoades et al., 2001). Although POS has been found to be related to a number of favorable outcomes, for example job satisfaction, organisational commitment performance (Rhoades and Eisenberger, 2002), no previous study has related it to employee engagement. However, one reason that POS might lead to positive outcomes is through employee engagement. In other words, employees' who have higher POS might become more engaged to their job and organisation as part of the reciprocity norm of SET in order to help the organisation reach its objectives (Rhoades, Eisenberger and Armeli, 2001). In other words, when employees believe that their organisation is concerned about them and cares about their well-being, they are likely to respond by attempting to fulfill their obligations to the organisation by becoming more engaged. In addition, because employees tend to view their supervisor's orientation toward them as indicative of the organisation's support (Rhoades and Eisenberger, 2002), PSS is also likely to be an important predictor of employee engagement.

2.3 Consequences of Employee Engagement

(a) Effect of Employee Engagement on Job Satisfaction: Harter et al. (2002) have mentioned in their work that there is a link between employee engagement and business results. However, engagement is an individual level construct and if it does lead to business results, hence, it must first impact individual-level outcomes. Also, 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 engagement leads to both individual outcomes i.e. quality of people's work and their own experiences of doing that work as well as organisational-level outcomes i.e. the growth and productivity of organisations. There are several reasons to expect engagement to be related to work outcomes. For starters, the experience of engagement has been described as a fulfilling positive work-related experience (Schaufeli and Bakker, 2004; Sonnentag, 2003) and has been found to be related to good health and positive work effect (Sonnentag, 2003). These positive experiences and emotions are likely to result in positive work outcomes. As noted by Schaufeli and Bakker (2004), engaged employees have a greater attachment to their organisation and a lower tendency to leave their organisation.

According to SET, when both parties abide by the exchange rules, the result will be a more trusting and loyal relationship and mutual commitments (Cropanzano and Mitchell, 2005). Thus, individuals who continue to engage themselves do so because of the continuation of favorable reciprocal exchanges. As a result, individuals who are more engaged are likely to be in more trusting and high-quality relationships with their employers and will, therefore, be more likely to report positive attitudes and intentions towards the organisation.

Past researches have also found that engagement is positively related to organisational commitment and negatively related to intention to quit, and is believed to be related to job performance and extra-role behavior (Schaufeli and Bakker, 2004; Sonnentag, 2003). Schaufeli and Bakker (2004) further found that engagement was negatively related to turnover intention and mediated the relationship between job resources and turnover intention. Therefore, it is predicted that job and organisation engagement will be related to work outcomes.

A highly-engaged employee will not only be consistent in his performance but will also perform beyond expectations (Harter et al. 2002). Thus, employee engagement is critical to any organisation that seeks to retain valued employees. Watson Wyatt consulting companies have proved that there is an intrinsic link between employee engagement, customer loyalty, and profitability. As organisations globalize and become more dependent on technology in a virtual working environment, there is a greater need to connect and engage with employees to provide them with an organisational identity

(b) Impact of Employee Engagement on Customer Satisfaction: Efforts to enhance customer satisfaction have been considered critical by many organisations, particularly those in the service sector (Schmit and Allscheid, 1995) and hence, have been researched by numerous studies. Despite previous vast research conducted on the relationship between the employee satisfaction and customer satisfaction, Schmit and Allscheid (1995) assert that further conceptual and empirical evidence is needed to reveal the relationship between employee satisfaction and customer satisfaction.

Leiter (2005) also found that engaged workers are full of life, are optimistically associated to their work and feel they are doing their jobs effectively. It was also found in other study that engaged employees have high levels of energy and are enthusiastic about their work. Individuals who feel fully committed to the organisation for which they work take great pride in doing their job go that extra mile. In doing so, engaged employees influence the satisfaction of customers. The excitement of an engaged employee is contagious and cannot help but rub off on the customer. A key finding by the Northwestern University Forum for

People Performance Management and Measurement is that organisations with engaged employees have customers who use the company's products and services more often and with higher satisfaction than customers of companies with disengaged employees. Satisfied customers cost less to serve, are repeat customers, and are more profitable customers for the organisation. Measuring the engagement of your employees and the satisfaction of your customers reveals direct correlations between employee engagement and your business outcomes.

In previous research, employee satisfaction (ES) has been frequently measured by considering customers' perception of employees and customer satisfaction (CS) also has been measured by employees via surveys. Though the use of indirect measures in assessing ES and CS is quite common, it remains unclear whether this practice is appropriate. As an alternative attempt to measure customer and employee satisfaction more accurately, Schmit and Allscheid (1995) employed dyadic data from both the customer and employee surveys and simultaneously estimated both employee and customer model. They assumed employee job satisfaction was influenced by the work climate produced by the customers, linking employee model and customer model simultaneously.

Spiro and Weitz (1990) argued that behaviour of satisfied employees plays an important role in shaping customers' perceptions of business interactions. This phenomenon may occur as satisfied employees are more apt to be friendly, enthusiastic, attentive and empathetic toward customers (Beatty et al., 1996; Rafaeli, 1993).

According to the concept of partner effects, a person is in some way, verbally or non-verbally, influenced by the characteristics and behaviours displayed by his or her counterpart (Dolen et al., 2002). Additionally, the contagion effect explains how satisfied employees influence others around them to feel good (Hatfield et al., 1993). It is also expected that happy or satisfied employees are more inclined to share these positive emotions with customers (Brief and Motowidlo, 1986). This was also consistent with Brown and Lam (2008) who provided the empirical evidences showing the robust relationship between employee job satisfaction and customer satisfaction.

3. Banking Industry

The banking system in India is significantly different from that of other Asian nations because of the country's unique geographic, social, and economic characteristics. India has a large population and land size, a diverse culture, and extreme disparities in income, which are marked among its regions. There is high level of illiteracy among a large percentage of its population but, at the same time, the country has a large reservoir of managerial and

technologically advanced talents. Not more than 35 per cent of the population resides in metro and urban cities and the rest is spread in several semi-urban and rural centers. For the banking industry to serve as an instrument of state policy, it was subjected to various nationalization schemes in different phases (1955, 1969 and 1980). About 92 per cent of the country's banking segment is under state control while the balance comprises of private sector and foreign banks. A major problem that public sector banks will face, once information technology (IT) implementation reaches its optimum level, is staff retention. While private sector banks have been recruiting trained and experienced IT professionals, it may not be possible for public sector banks to do likewise. They will have to train their existing staff to function effectively in the new environment. And once the requisite skills are acquired by employees, they may have trouble in retaining staff. Public sector banks can only allocate limited capital resources to computerization. They will have to choose between high cost of computerization at metro and urban centers and low cost computerization at rural, semi-urban branches. The number of bank management staff and employees in India is vast (223,000 in State Bank of India (SBI); 81,252 in SBI Associates; 581,000 in nationalized banks; 57,241 in old private sector banks; 1,620 in new private sector banks, and 13,510 in foreign banks operating in the country). The total is 957,623, with the number of staff employed in cooperative and rural banks is equally large (Deolalkar, 1998).

Shahid et. al. (2012) focused on bankers and found that they are under a great deal of stress due to many antecedents. These stresses contribute to decreased organisational performance and employee performance, lower quality of work, high staff turnover, and absenteeism due to health problems such as anxiety, depression, headache and backache. Six components of job stress, viz. lack of administrative support, excessive work demand, problematic customer relations, co-worker's relationship, family and work life balance and riskiness of job were examined in this study. The objective of the study was to explore stress-related problems of bankers and examine the relationship between stress and performance and finally, the impact of stress on employee performance. For this purpose, 150 questionnaires were filled by the bankers from the district of Faisalabad, Pakistan. The results showed that all the components of stress caused great stress in bankers decreasing their overall performance.

Alarcon et al. (2011) concluded "Results from the confirmatory factor analysis indicate engagement has three factors i.e. career growth, nature of job and customer satisfaction. In addition, confirmatory factor analysis and hierarchical regressions indicate engagement and job satisfaction are separate constructs. Last, hierarchical regressions demonstrated the

⁴State Bank of India (SBI)

constructs have different relationships with the areas of work-life scale." Paul and Phua (2011) ascertained, "there were significant differences in satisfaction levels based on age and job position." Mahfood et al. (2013) revealed that, job satisfaction was predicted exclusively by job characteristics. Devi et al. (2013) examined the factors influencing job satisfaction: organisational factors, job related factors, and personal factor. The results revealed that there is a significant relationship between socio-economic and demographic variables of the bank employees such as designation, gender, age, marital status, experience, work status, nature of family, income, number of dependents and job satisfaction; whereas, there is no significant relationship between qualification, nature of the job and job satisfaction. Also, respondents are more satisfied with factors like working conditions in bank, benefits received, healthy work environment, welfare policies, challenging and responsible jobs, dignity and respect provided by the job, good opportunities for growth of employees and comparatively less satisfied with working hours, study or training leaves, attitude of management, work overload, tedious work and quality time for their family members. So, banking sector is no exception and the banking organisations have to ensure that their employees are satisfied with their jobs so that they can enjoy the benefits and can attain the goals effectively.

Chowdhary (2013) included factors like salary of employees, performance appraisal system, promotional strategies, relationship of employees with management and other co-employees, training and development program, work burden and working hours. These are found important for improving level of job satisfaction of bank employees in Canara bank. Increase in level of these factors improves overall satisfaction of the bank employees which is identified by using statistical tools. Variables like working environment of the employees, performance appraisal techniques, relationship with co-workers and grievance handling and safety provisions are contributing towards job satisfaction of employees in Canara Bank. The factors which lead to job dissatisfaction are working hours, training and development of the employees and the frequent transfers of the employees. So, we can see different studies show the factors that influence job satisfaction level in the banking sector.

This background literature provides good insight to conduct the research related to employee engagement in the banking industry in India.

4. Objectives, Data and Research Methodology

4.1 Objectives

Different studies and theories have brought out various factors relevant in the context of employee engagement. The basic objective of this study is to provide an analysis of those

factors that appear to be relevant in the context of employee engagement in the Indian banking industry.

These factors are analyzed mainly in terms of the perceptions that the employees hold on such factors.

- (i) To understand the engagement of employees in the banking industry.
- (ii) To analyze factors that lead to high engagement of employees in the banking industry.
- (iii) To bring out the importance of employee engagement and customer satisfaction within the banking sector.

4.2 Data and Research Methodology

The study is based on a primary survey conducted over the period September 2014 - January 2015. A questionnaire was designed to explore factors related to interrelationship between employee engagement and employee satisfaction; and factors of employee engagement influencing the employee behavior (socio-demographic factors - gender, experience and level of job). The number of responses received was 200.

Sampling Method: Convenience sampling method was used without any stratification to obtain a uniform size of respondents. A population of employees was first segmented into mutually exclusive sub-groups on the basis of level of job. Then, a random sample of employees according to experience and gender was drawn from the database of subgroups.

Along with the primary survey various marketing and finance journals, magazines, reports and websites were also referred.

The study uses the following categories of employees:

(i) *Gender:* We group the employees in two categories on the basis of gender- males and females.

(ii) *Experience:* On the basis of experience, the employees are segregated into four groups- the first group comprises of employees having work experience of 0-10 years, second group comprises of those employees who have an experience of 11-20 years, third group is those having experience of 21-30 years and fourth group comprises of employees having a work experience of above 30 years.

(iii) *Level of Job:* We group the employees based on level of job in terms of clerical, managerial and above managerial levels.

Hypotheses: Based on factors and objectives, following hypothesis can be

formulated:

H1: Factors affecting employee behavior differs across demographic variables.

H2: Employee engagement has positive influence on employee behavior.

H3: Healthier work environment positively affects employee behavior.

H4: Employee satisfaction positively influences employee behavior.

H5: Customer satisfaction positively affects employee behavior.

The questionnaire developed included:

Section A: Demographic Information of the Bank Employees.

Section B: Factors Related to Employee Engagement.

Section C: Net Effect on Customer Satisfaction.

Respondents were asked to rate all the five-point Likert scale questions with 1 indicating "strongly agree" and 5 indicating "strongly disagree". The complete scales are shown in the Appendix.

5. Results and Analysis

5.1 Reliability Tests

The reliability test⁵ results in Table 1 indicates that Cronbach's Alpha of all the cases is more than 0.6 except bank and senior support factor which implies that there is high degree of inter-correlation among the variables.

Table 1: Results of Reliability Test

Variables	Mean	Standard Deviation	Cronbach's alpha
EE (Employee Engagement)	19.02	3.060	0.829
WE (Work Environment)	21.05	2.170	0.792
Employee Satisfaction* - CCG (Compensation and Career Growth)	22	1.620	0.839
RR (Rewards and Recognition)	17.35	2.760	0.712
NJ (Nature of Job)	18.01	2.560	0.756
BSS (Bank & Seniors Support)	19.11	3.419	0.563
CBL (Communication and Balanced Life)	20.01	2.45	0.606
CS (Customer Satisfaction)	40.05	3.256	0.831

Note: *Factor Analysis explained in the subsequent section

⁵The reliability test reflects the internal consistency of the indicators measuring a given construct. Therefore, before the hypotheses are tested the reliability of the measurement scales should be checked. In general, the reliability of the construct should be greater than 0.6 in order to meet with the general requirement of reliability for research instruments.

5.2 Factor Analysis Results

In the context of employee satisfaction, there are different aspects of employee satisfaction. Results of factor analysis in this regard are, therefore, explained next to first identify the dimensions of employee satisfaction.

The results of factor analysis reported in Tables 2 and 3 indicate that the five relevant factors that emerge are:

- (i) Factor 1- Four items loaded onto factor 1. It is clear from Table that these items are related to the compensation and career growth.
- (ii) Factor 2- Four items loaded onto factor 2 which covers reward and recognition.
- (iii) Factor 3- Three items that load onto factor 3 which focus on nature of job.
- (iv) Factor 4- Two items loaded onto factor 4 that are related to senior staff support.
- (v) Factor 5- Two Items loaded onto factor 5 are related to better communication and balanced life.

Table 2: Factor Analysis- Rotated Component Matrix

Particulars	Component				
	1	2	3	4	5
FACTOR 1 CCG (Compensation and Career Growth)	.870	.005	.259	.033	.043
	.865	.331	-.069	-.190	.231
	.760	.035	.151	.341	.345
	.650	.222	.237	.420	.256
FACTOR 2 RR (Rewards and Recognition)	.005	.756	.232	-.042	-.167
	.145	.725	.094	.114	.523
	.205	.650	.482	.309	.278
	.508	.521	-.094	.348	.176
FACTOR 3 NJ (Nature of Job)	.053	.107	.750	.108	.045
	.103	.300	.732	-.172	-.379
	.404	-.060	.621	.284	.197
FACTOR 4 BSS (Bank & Seniors Support)	-.130	.260	.055	.670	.387
	.284	-.075	.016	.574	.165
FACTOR 5 CBL (Communication and Balanced Life)	0.152	0.126	0.178	0.045	0.498
	0.123	-0.089	0.267	0.167	0.312

Reliability tests conducted on these five components (Table 3) show that Cronbach's Alpha of all the cases is more than 0.5 which implies that there is high degree of inter-correlation among the above studied variables.

Table 3: Reliability Tests on Component Factors

Particulars	Grand Mean	S.D	Cronbach's alpha
Component 1	13.15	3.543	0.876
Component 2	14.12	2.678	0.874
Component 3	10.75	1.320	0.789
Component 4	6.56	1.230	0.756
Component 5	5.43	1.578	0.672

5.3 Estimates Using ANOVA

The ANOVA analysis indicates the significance of demographic variables in explaining employee behavior. Particularly, experience and level of job emerged as significant variables in explaining employee engagement. Further, experience and level of job significantly influence communication and balanced life and customer satisfaction. However, demographic variables do not significantly influence other factors affecting employee behavior. Thus, H1 is partially accepted.

Table 4 reports the results of One Way ANOVA⁶ to compare the means of factors affecting employee behavior.

Table 4: ANOVA Results

Factors	Mean	Standard Deviation	Experience F-value (Significance Level)	Gender F-value (Significance Level)	Level of Job F-value (Significance Level)
Employee Engagement	3.5	0.365	3.672(.000)	3.620(.001)	3.534(.074)
Work Environment	3.5	0.407	.620(.356)	1.672(.230)	2.718(.320)
Employee Satisfaction CCG(Compensation and Career Growth)	3.6	0.362	.254(.678)	3.620(.060)	.768(.340)
RR (Rewards and Recognition)	4.72	0.530	.320(.765)	2.62(.356)	.347(.067)
NJ (Nature of Job)	3.32	0.512	.312(.769)	.672(.287)	.543(.345)
BSS (Bank & Seniors Support)	3.53	0.567	.345(.587)	.465(.235)	.198(.765)
CBL (Communication and Balanced	3.47	0.478	.311 (0.000)	.412 (0.134)	.467 (0.023)
Customer Satisfaction	3.67	.490	6.123(.000)	.256(.125)	5.762(.0010)

Note: Significance level $p \leq 0.05$

In view of partial influence of demographic variables in explaining employee behavior, it becomes important to enquire about the relationship between employee behavior and different factors of employee engagement. Empirical investigations dealing with the above-

⁶The ANOVA test is used to determine the impact of independent variables have on the dependent variable in a regression analysis.

mentioned relationship is discussed in the subsequent section.

5.4 Correlation and Regression Result

Table 5 highlights the relationship between employee behavior and different factors of employee engagement through results of simple linear regression.

Table 5: Regression Results (Dependent Variable - Employee Behavior with Single Independent Variable)

Factors	R	R ²	F value	P value	β value
Employee Engagement	.184	.03	1.676	.060	0.103
Work Environment	.392	.154	8.367	.070	0.076
Employee Satisfaction CCG (Compensation and Career Growth)	.388	.151	8.342	.003	0.222
RR (Rewards and Recognition)	.227	.051	2.549	.001	0.145
NJ (Nature of Job)	.357	.127	7.159	.045	0.189
BSS (Bank & Seniors Support)	.225	.051	2.570	.002	0.151
CBL (Communication and Balanced Life)	.240	0.113	3.451	.012	0.112
Customer Satisfaction	.289	.114	2.657	.023	0.172

Note: Significance level $p \leq 0.05$

One concludes from the results in Table 5 that compensation and career growth; rewards and recognition; and bank and seniors support are statistically significant in affecting employee behavior.

Employee Engagement: The results indicate that employee engagement does not have a significant relationship with employee behavior. Thus, H2 is rejected.

Work Environment: The above analysis reveals that there is a non-significant impact of work environment on employee behavior as $p > 0.05$. Thus, H3 is rejected.

Employee Satisfaction: Employee Satisfaction emerged out to be a significant predictor as the model is significant at $p < 0.05$ in case of all the factors. The results indicate that employee satisfaction positively influences employee behavior. Thus, H4 is not rejected.

Customer Satisfaction: Customer Satisfaction also has a significant value with β value of 0.172. This implies that customer satisfaction positively and significantly influences employee behavior. Thus, H5 is not rejected.

6. Conclusion

The bank employees' engagement approaches begin from the selection or recruitment stage by selecting the right person and giving a realistic job preview, organizing strong induction

and orientation programme, providing rigorous training and development programmes consisting of technical and soft skills, leadership development along with updating the employee about the current trends which will help in increasing their performance. The banks must realize the importance of employees, and try to engage them to the utmost possible level by applying suitable measures.

The results clearly indicate that the most dominating factor influencing employee behavior is employee engagement, communication and balanced life and customer satisfaction. There is an association between the factors influencing employee behavior and customer satisfaction. The relationship between employee engagement and organisational outcomes would be stronger if better measures are used. Thus, organisations' need to understand how different employees are affected by different factors of engagement and focus on those in order to achieve the strategic outcomes as well as to improve overall effectiveness.

Another important conclusion is that the employee motivation strongly influences customer satisfaction in banks. As the drivers of employee motivation are transferring their impact on customer satisfaction indicators so the banks need to focus elements of their employee motivation to enhance customer satisfaction and loyal customer base. In services sector, special frontline employees have direct interaction with the customers and if they are disgruntled with the bank then they will not be able to deliver quality services to the customers. Employees reflect the image of how they are being treated by their treating the customers in same way.

Thus, we can say that there is a direct relation between employee engagement and organisation culture and organisation performance. Hence, employee engagement is crucial for job satisfaction and employee loyalty and retention in the organisation.

The present study took precautionary efforts to ensure the objectivity, reliability and validity of the study, however, certain limitations persist. Firstly, it is a cross-sectional study examining a specific point in time. Longitudinal designs are needed in future research to extend our findings. Finally, the data was collected from private bank employees only, so the results lack general acceptability. It should be helpful for the future studies to replicate these findings in other sectors to enhance general applicability in other settings.

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Appendix

CUSTOMER SATISFACTION IN BANKING SECTOR

Dear Respondent

The questionnaire has three sections, namely A, B, C. For each section the response style is mentioned. You are requested to follow the response style. Your cooperation is deeply appreciated.

Thanks and best regards.
Kiran Bala & Neha Singhal

Section A

Please choose the appropriate response category for each of the following questions.

Gender

Years of Experience

- ☐ ☐ 0-5
- ☐ ☐ 5-10
- ☐ ☐ 10-15
- ☐ ☐ 15 & above

Level of Job

- ☐ ☐ Clerical
- ☐ ☐ Manager
- ☐ ☐ Above Manager

Interrelationship Between Job Engagement & Employee Satisfaction

	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree
I care about the future of my bank	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I am proud to work for my bank	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I am personally motivated to help my bank succeed	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree
I am inspired to put best efforts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Section B: Factors Affecting Job Engagement					
	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree
Work Environment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Compensation & Career Growth	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rewards & Recognition	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Nature of Job	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Perceived Bank & Seniors Support	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Work Environment					
	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree
I have tools & resources to do my job well	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I am able to balance my work & personal life	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
There is better communication among employees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
My bank is a good place to work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Compensation & Career Growth					
	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree
I fairly paid for the job I perform	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I have a clear path for career advancement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree
I experience personal growth in my bank	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I have variety of learning opportunities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rewards and Recognition					
	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree
I receive recognition for doing my job well	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I am rewarded for the quality of my efforts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The bonus programs are satisfactory & meet my expectations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Nature of Job					
	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree
I have a sense of personal accomplishment from my job	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I have clearly defined goals	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
My job makes good use of my skills & abilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I feel encouraged to come up with new innovative ideas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Perceived Bank & Senior Support					
	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree
I am valued by	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree
my seniors					
My seniors are concerned about my welfare	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
My seniors keep me informed about matters that affect me	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I have appropriate decision making authority	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I have adequate opportunity to interact with seniors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Section C : Effect of Employee Engagement on Customer Satisfaction

	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree
I speak highly of my bank to my customers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I go beyond what is expected of me to make customers happy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I respond quickly & courteously to satisfy customer needs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
When a customer is dissatisfied, I put my best efforts to solve his/her problem	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>