

Impact of Demographic Variables and effectiveness of Rewards and recognition on Employee Engagement of Select Private Sector Banks in Telangana during pandemic

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Abstract:

This covid-19 pandemic has made the mankind to think & rethink due to a lot of adversities, insecurities, etc & this pandemic has affected all businesses across the world, a quite similar to the one like the recession hit in 2008 and led to helplessness among people. Most of the businesses across have suffered due to this pandemic situation, especially service sector. Partial solution to this critical challenge is to have engaged employees who are the strong pillars because the entire working of the organisation depends on them. Employee engagement is the extent to which employees put their discretionary efforts into their work, mental ability, passion and energy. Engaged employee is always self-motivated and full of enthusiasm. Fully engaged employees can provide higher productivity, greater deliverables, higher self-motivation, reliability, loyalty towards organization, reduced employee turnover and lower absenteeism (Baumruk et al, 2004). The present study focuses on how the demographics variables(age, gender, work experience) and rewards and recognition has an effect on the employee engagement levels of select private sector banks in Telangana state during this pandemic period. Employee engagement helps to build good relationship with the customers. Primary data was collected using structured questionnaire. Selection of samples was done by using random sampling technique and the data was analyzed using appropriate statistical tools. It was observed that Age, work experience, rewards and recognition had influence on employee engagement. While gender had no influence on employee engagement in the select private sector banks for the study.

Keywords: Employee engagement, Work Force Demographics, Rewards and Recognition, Performance, Private sector banks, Pandemic.

I. Introduction:

In the 21st century which has witnessed a lot adversities to all because of this covid 19 pandemic, but undoubtedly we cannot deny that people across many professions have extended their support in the best possible way, among them are bank employees' also, exploring best possible technological support to encouraging, involving, and reaching the services to customers. Since 1991, the Indian banking sector has witnessed a lot of explosive growth and expansion. This economic development has provided abundant opportunities created in every sector. In this dynamic environment, change is the most inevitable thing; the role of adaptability is very important and prominent for the success of every individual/company/organisation. The role of banking industry in the overall improvement of our life is very high & contributes towards higher quality of life, health and greater success leading to the economic development of the nation. Dedicated, Committed and Involved employees are a great strength factor to the success of any organisation.

Academicians and practitioners signify that a low employee engagement level at work is the most alarming situation to world, impacting on business productivity and profitability. Employees are important pillars because the entire working of the organisation mostly depends on them. When the employees are committed to their work, automatically their performances increases and this leads to higher satisfaction. The prior studies reveals that work force demographics effect on the employee engagement levels and engagement level is good which basically means that the talent utilization is completely achieved by the organization.

Employee Engagement has just become a buzzword in this globalized era and how the meaning of this is still different to different individuals. Employees are like strong pillars for every business, regardless of the nature of business and the management of this key resource is the most critical key success factors for every organisation. In this severely intense competitive world, every player has realized the significance of the employees to be linked with the Job and the organisation. Employee engagement is a sophisticated and challenging task and with the changing workforce demographics, it is even more complex task and also very important for the organisation.

It seems to reason, that the excitement and interest that fully engaged workers bring to their jobs each day is linked to both a more united workplace culture and the discretionary efforts, superior ideas, and innovations that help businesses prosper. Employee engagement is a positive attitude held by the employee towards the organization, understanding of business context, willingness to work with coworkers' to accomplish organizational performance Robinson D et al., (2004)

Demographics play an important criterion for selection as HR and management decision depends on it, also it impacts employee work behaviour and productivity. Prior studies done by Kahn, Schaufeli and others contribute the relevance of demographics on employee engagement.

Linking Employee engagement and Demographics: the previous literature work of academicians and practitioners with regard to demographic factors influence on employee engagement across industry found to be having difference in the way they influence it. Like in some research study, different age groups employees showed varying engagement levels (Marcus & Gopinath, 2017) , in some literature review found that demographic variable like Gender-females are found to be more engaged than male in the organisation, for some it includes changed influence on employee engagement levels seen with respect to employees' work experience (Shukla et al., 2015), next is marital status of employees showed varying employee engagement levels , employee Qualification etc.,

Rewards and Recognition

Employees' level of engagement are observed to change as a function of their perception of job benefits (Kahn, 1990); they are more likely to be engaged at work if they feel a higher amount of rewards and recognition from their role performance (Saks, 2006). Appropriate rewards and recognition are important for engagement (Maslach et al., 2001), that it also

predicts all the three measures of employee engagement developed by Schaufeli et al. (2002), namely, vigour, dedication and absorption. In their seminal work linking burnout and engagement, (Maslach & Leiter, 2008) have pointed out that insufficient rewards (whether financial, institutional or social) would increase peoples' vulnerability to burnout. Further, lack of recognition from service recipients, colleagues, managers and external stakeholders devalues both employees and their work and is even closely linked with feelings of inefficacy (Maslach et al., 2001).

II. Literature Review:

Personal engagement, according to Kahn, (1990, p. 694), is "the harnessing of organisation members' selves to their work roles; through engagement, people utilize and express themselves physically, cognitively, and emotionally during role performances." Personal disengagement is defined as the uncoupling of oneself from one's professional duties. During role performances, people retreat and protect themselves physically, cognitively, or emotionally (p. 694). Thus, engagement, according to Kahn (1990, 1992), involves being mentally present when occupying and executing an organizational position. Employees are emotionally and cognitively engaged, according to Kahn, when they understand exactly what is expected of them, have what they need to do their work, have plenty of opportunities in their work that give them a sense of fulfillment, have the perception that they are part of something meaningful with coworkers on whom they rely and trust, and have possibilities to enhance, develop, and grow.

Over the last two decades no other people practice got discussed and debated as much as employee engagement. Their research over a few decades informs uniformly that across geographies and corporations, employee engagement continues to remain elusive. The concept of employee engagement is often defined as 'willingness to go the extra mile'. Robinson et al., (2004), define "engagement as a positive attitude held by the employee towards the organization and its values. Wellins et al., (2008) -DDI, defines Employee Engagement as "the extent to which people value, enjoy and believe in what they do".

Another author Macey & Schneider, (2008) distinguished three broad conceptualizations of employee engagement, namely state, trait, and behavioural engagement. Employee engagement has been linked with an array of positive outcomes at the individual and organizational levels. Prior studies on engagement clearly points out that employee engagement is essential for success of an organisation. Engaged employees deliver higher productivity, lower absenteeism, less turnover intention, superior service quality, more satisfied and loyal customers, high job satisfaction, more commitment, increased organizational citizenship behaviour and improved bottom-line business results- Harter et al., (2002).

"Feeling appreciated and engaged," according to Robinson D et al., (2004), is the most significant predictor of employee engagement. However, many things contribute to this, and it was shown that rewards and benefits are one of the most important elements that had a strong association with feeling valued and participated, out of a total of 16 components that also included demographic considerations. Pay and perks have a

substantial association with employee engagement, according to their research (Brown & Reilly, 2013).

Saks (2006) published a study titled "Antecedents and Consequences of Employee Engagement" in 2006. He found that POS (perceived organizational support), PSS(perceived superior support), work features, and procedural fairness, distributive justice all predict job engagement. Higher levels of job and organizational involvement resulted in higher levelsofwork satisfaction, organizational commitment, lower intentions to quit, and Organisational citizenship behaviour.

Shukla et al., (2015), study on employee engagement found the overall level of employee engagement and the amount to which demographic characteristics such as distinct designations, yrs of work experience, age, gender, marital status,qualification, & personality among the workers under investigation contributed to their engagement levels.

Ghosh et al., (2016) study on "rewards and recognition to engage private bank employees, exploring the "obligation dimension", found that private bank employees are more likely to be excited about their jobs when they get rewards and recognition from their employer. Also, the findings back up earlier research that says that rewards from the workplace are a strong motivator in the private sector. Organizations may design their reward systems in a way that makes employees feel important and, as a result, think they have a moral duty to stay with their employer. Employees who want to work in a place where they get rewarded and recognized are more likely to be engaged and more likely to be committed to their jobs, as well. When it comes to some people, extrinsic rewards may be very important. For others, intrinsic rewards may be more important. Human resources at private sector banks need to figure out what benefits their employees get and how that might make them feel more like they have to do their jobs.

Marcus & Gopinath, (2017) article on "impact of the demographic variables on the employee engagement-an analyses", found that age influenced the drivers of engagement and also female in the IT company were more influenced by employee engagement initiatives taken.

Regy Joseph & Malini D H, (2017) article on "employee engagement of faculties in select higher educational institutes in south India", found that there exists position connection between conducive work environment and employee engagement. They were graded on seven subscales: assessing hygiene factors, policy elements, motivational aspects, people factors, self-related factors, manager-related factors, and organizational-related variables.

Shettigar & K C (2020) expressed that management (banks) should focus on improving work life balance (WLB) practices to engage their employee and build their engagement.

III. Need and significance of the study:

As there is a lot of competition everywhere, we see a lot of young and dynamic people showing greater enthusiasm and interest towards pursuing careers' in banking industry

and also leaving for better prospects and other reasons. Banking industry is trying hard with various initiatives of upskilling to engage its employees' for better competitiveness, competence and also as an effective retention strategy. As the demand for employee engagement seems to a priority today in private banking sector which can lead to favorable outcomes like lower absenteeism, greater commitment, higher productivity, etc., the present paper studies the impact of demographic variables and rewards and recognition on the employee engagement levels.

IV. Objectives of the study

- To study the impact of demographic variables (age, gender, work experience) on employee engagement of the private sector banks.
- To study the effect of rewards and recognition on employee engagement
- To measure the employee engagement levels
- To study the strategies used by banks during pandemic situation for engaging employees

Hypothesis of the study:

H1₀: Age of the employee will not have significant effect on employee engagement

H2₀: Gender of the employee will not have significant effect on employee engagement

H3₀: Work Experience of the employee will not have significant effect on employee engagement

H4₀: Rewards and Recognition will not have significant effect on employee engagement

V. Research Methodology:

Research design is the conceptual structure of the study. In this study, a descriptive study is used which includes a thorough review made from the previous research on employee engagement for secondary data source and primary data is collected through structured questionnaire.

Sample size and technique used: Total 150 questionnaire were given to select private sector bank employees in Hyderabad - HDFC, Kotak Mahindra, Axis bank, ICICI bank, but received 85 completely filled questionnaire and the sample was selected at random. Primary data is collected using a structured questionnaire, comprised of two parts i.e part A and Part B. In part A-information collected on demographic factors - Age related information options given are below 25 yrs, 25-35yrs, 35-45yrs, above 45 yrs.. For Gender related information, options given are Male and Female. For Work experience related information, options given are having less than 1yr, 1-3yrs, 3-5 yrs, more than 5yrs of experience. For Qualification related information, options given are UG, PG, PhD and others.

For Income (monthly) related information options given are less than Rs 20,000, Rs 20001-30000, Rs 30001-40000, above Rs 40,001 For measuring Rewards and Recognition, a 10 item scale developed by Saks(2006) was used(with options as 1. to a small extent and 5. To a large extent). (Harter et al., 2016)Gallup Q12 questionnaire is used for assessing the engagement level of the private bank employees measuring employee perception of work-role clarity, resources, fit between abilities and requirement, receiving feedback & feeling appreciated(5 point rating scale with options given - "5" as extremely satisfied and "1" as extremely dissatisfied(Cronbach $\alpha = .91$). SPSS is used for data Analysis (mean, standard deviation, T test, ANOVA analysis and regression analysis, etc).

For secondary data sources like journals, books, magazines, website, etc. are used for the study.

VI. Data Analysis:

Measuring Employee Engagement level of employees: the employee engagement Avg. score was found to be 4.54, which signifies for high engagement level in the employees of private sector banks under study, indicating of the overall health and environment of the select private sector banks under study.

Table No. 4.1: Statistical significance of Relationship between Demographic variables and employee engagement

Demographic Variable	t/F value	Sig
<i>Age</i>	4.66	<i>0.019*</i>
<i>Gender</i>	2.31	<i>0.635</i>
<i>Qualification</i>	0.173	<i>0.587</i>
<i>Income(monthly)</i>	3.389	<i>0.623</i>
<i>Work experience</i>	3.562	<i>0.012*</i>

(Source: Primary data * $p < .05$)

H1₀: There is no significant difference between the employee engagement levels and the employee Age

Based on the Age, respondents were categorized into 4 groups i.e below 25 yrs, 25-35yrs, 35-45yrs, above 45 yrs. Using one way ANOVA, the results were found that employee engagement levels did differ significantly across the age categories, F value is 4.66 at $p = .019$ at 95 confidence interval, namely the employees in the age group of 25-35yrs were

found to be more engaged than the other groups. Employee engagement levels differ significantly across the age groups (Marcus & Gopinath, (2017); Robinson et al., 2004)

H2₀: There is no significant difference between the employee engagement levels and the gender of the employee

Based on the gender, respondents were categorized into 2 group's i.e Male and Female, out of 85 filled questionnaires, it was found that 24 female and 61 male respondents had filled the questionnaires. Using independent sample T test, the results were found that employee engagement levels did not differ significantly across the gender of the employees, Male (Mean=3.48, SD= 0.44) and Female (Mean= 2.81, SD=.61), $t(83) = 2.31$, $p = 0.635$ at 95 confidence level. Both female and male employees in the private bank under the study exhibited equal engagement levels.

H3₀: There is no significant difference between the employee engagement levels and the work experience of the employee

Based on the work experience, respondents were categorized based work experience as- having less than 1yr of experience, 1-3yrs of experience, 3-5 yrs of experience, more than 5yrs of experience. Using one way ANOVA, the results were found that employee engagement levels did differ significantly across the work experience of the employees, F value is 3.562 at $p = 0.012$ at 95 confidence interval. Thus the result indicates that the employees with different no. of work experience are differently engaged (it is found that employees having more than 5yrs of experience are found to be highly engaged than the other groups) in the select private banks for the study.

H4₀: Rewards and Recognition will not have significant effect on employee engagement

The hypothesis of relationship between reward and recognition of the employee and employee engagement were tested using simple linear regression. The regression results shown in Table 4.2 revealed that the predictor variables contribute significantly and had moderate impact on the employee engagement ($R^2 = 0.398$). The corresponding ANOVA value ($F = 54.304$, $p = 0.000$) for the regression models had indicated the validation with employee engagement.

Table 4.2 Regression Model Summaries for the Reward and recognition on employee engagement

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	ANOVA Results			
					F-Value	df1	df2	Sig.
1	0.631 ^a	0.398	0.391	0.47746	54.304	1	82	0.000
a. Predictors: (Constant), Rewards and Recognition								

The coefficient summary shown in Table 4.2 revealed that beta values of Reward and Recognition of the employee ($\beta=0.631$, $t=7.369$, $p=0.000$) was significant predictor of employee engagement. The results were implicit that predictor variable was related with dependent variable. Hence, null hypothesis was disproved and alternate hypothesis (H1) was accepted as their p-values were less than 0.05.

Here the following simple linear regression model

$$\text{Employee engagement (Y)} = 1.344 + 0.627 (\text{Reward and Recognition}) X$$

Table 4.3: Predictor effects and Beta Estimates (Unstandardized) for employee engagement associated with the Reward and Recognition of the employee

Model	Variable	Unstandardized Coefficients		Standardized Coefficients	t-Value	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.344	0.327	-	4.116	0.000
	Reward and Recognition	0.627	0.085	0.631	7.369	0.000

a. Dependent Variable: Employee engagement

VII. **Fostering employee engagement during pandemic:** In this pandemic, banks were operating by taking SOP - safety measures, maintaining physical distance, sanitation care, reducing functional working hours, etc and also for providing banking services to their customers. Private Banks encouraged their employees' and also provided opportunities to participate in upgrading their competence through online workshops, webinars/seminars, online/virtual meetings, appreciation and recognition related activities.

VIII. Findings:

From the above analysis, it is found that majority of employees responded were in the age group of 25-35 yrs. These people found to be more engaged, energetic and enthusiastic for learning new techniques, compatibility to get along with others, adjust easily to the situation. Secondly, it is found out that both Male and female employees in the private bank under the study exhibited equal engagement levels. Also it is found that the employees with different work experience are differently engaged in the select private banks for the study ie employees having more than 5yrs of experience were found to be highly engaged than that of other groups. Rewards and recognition significantly predicted employee engagement. Other information includes like majority of respondent had PG qualification.

While recruiting, banks should be considering it for employee engagement that can help in reaching quality standards of the bank with deliverables aspect. Both the Male and Female employees have responded and found to be equally engaged during the pandemic situation.

Employees having more than 5yrs of work experience exhibited high engagement levels. Management and organisations today have to consider the above independent factors while recruiting, motivating, managing, enhancing and imparting quality service, the changing requirements for healthy and higher engagement of employees' for better future. The findings of this study will assist management decision makers in devising appropriate recruiting and selection processes to improve employee engagement.

IX. Recommendation and Conclusion:

Increasing competitiveness among companies also triggers for greater risk for instability and insecurity which may likely lead for more burnout, absenteeism, lack of dedication for employees. Change is the need of the hour and as no one size actually fits all. Building engagement is a never-ending activity that creates the groundwork for a meaningful and emotionally satisfying work experience. It takes more than just making people happy and compensating them financially; it takes attracting and retaining the greatest personnel available. From the above findings, the results have found to substantiate with previous research outcomes that organisational rewards (such as monetary incentives and advancement chances) are powerful motivators in the private sector (Ghosh et al., 2016; Maslach et al., 2001) and employees also feel highly motivated by recognition (Ghosh et al., 2016);

Organizations in the private sector have more freedom in establishing their incentive and recognition programmes. As a result, they should utilize recognition and awards as a strategy to reap the advantages of having engaged employees. Our study's findings may be used strategically to boost employee engagement.

As no one size fits all and the competitiveness is ever growing it is very important that the private banks are required take initiatives for employee engagement, indicating that the organisation is capable of providing an enriching work experience, conducive work environment, better scope for learning, career development opportunities, rewards and recognition etc.,;are essential for driving employee engagement.

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