

A STUDY ON WORK ENGAGEMENT FOR EMPLOYEES OF FINANCIAL INSTITUTIONS

Mr. Tushar Panchal

**Graduate School of Management Studies,
Gujarat Technological University**

Dr. Pankajray Patel

**Graduate School of Management Studies,
Gujarat Technological University**

Abstract

Researchers have done survey on work engagement for employees of financial institutions using Utrecht Work Engagement Scale (2003) which is much more important in business performances and successes. It is assumed to have varied employee behaviour in service sectors and hence financial institutions were considered for this research. Responses were received from 200 sample units working as employees in various financial institutions across the Gujarat. Data analysis was carried out using ANOVA, reliability analysis and exploratory factor analysis. The study concludes identification of two important variables namely Work Satisfaction and Job involvement. So, financial institutions need to focus on these two variables for increasing the level of work engagement.

Keywords: Work Engagement, Financial institutions, Work Satisfaction, Job Involvement

Introduction

Work engagement has developed as a common organizational concept in recent years. Work engagement is based on vigour, dedication, absorption, faith, honesty, promise from both sides- employee & employer and communication between the firm and its employees. Successful work engagement paves way for the business prosperity, increase in the efforts of the employee, overall productivity and well-being of the organisation. Work engagement can be the employee's quantum of commitment and his/ her involvement towards the organisation and the values practised in that organisation. So the employee displaying work engagement is always knowing the present condition of the business operations of the organisation and he cooperates as a team member to increase the level of business operations which ultimately guides the organisation towards success.

This means that work engagement is a phenomena that is complex in nature and important for the business unit and so one needs to comprehend it and elaborate on the various approaches for identifying its nature. Initially Kahn (1990) coined engagement at work as the harnessing of employees of organization to their work roles. Employees show their engagement towards their work in an organisation physically, cognitively, and emotionally when they are performing their role in the organisation. So Work engagement can be conceptualised as the employee's level of commitment and involvement for his/ her organization and its values. For the enrichment of the organisation an engaged employee knows the context of business of the organisation, and he/ she teams up with fellow employees for a superior output within the job role defined for him/ her in the interest of the organization. So it is always good for an organization to put in efforts that initiate, nurture and engagement in a symbiotic relationship with the employees. Thus Work engagement is a result oriented tool use to identify the employee's relationship with the organization. Engagement is almost associated with the theory of job involvement. Job involvement is defined as 'the degree to which the job situation is very much important to the person and his or her image.' (Lawler & Hall, 1970). Kanungo (1982) says that job involvement is a 'Rational or belief state of mental identification.' Job involvement is perceived to rely on both need saliency and the possibility for a job to satisfy these needs. Thus job involvement results form a mental cognitive assessment about the needs satisfying abilities of the job.

Literature Review

As cited by Kahn (1990:694) earlier, work engagement is reflected in the performance of the employee through their job role in a cognitive, emotional and / or physical way during role performances. Cognitively, work engagement relates to the beliefs about the organization, its leaders and working conditions that an employee has. The emotional aspect relates to the emotions an employee has about each of those three factors and also if he/ she possess a favourable or unfavourable attitudes toward the organization and its leaders. The physical aspect relates to the physical labour and time put in by the employee to fulfil his/ her job role. Thus as per Kahn (1990) Work engagement is a multifaceted construct comprising of cognitive, emotional and physical domains.

Other authors have also defined work engagement as emotional and intellectual commitment to the organization (Baumruk 2004). Frank et al (2004) conceptualised work engagement as the level of efforts which can be characterised as discretionary, put in by employees in their job. Truss et al (2006) opposes Kahn (1990) and instead defines work engagement as uni-dimension construct and naming it as 'strong desire for working towards the job role defined', a mental state which includes the three domains of work engagement namely, cognitive, emotional and physical domains and also capturing the common idea running through all these definitions.

So because of the multiple definitions of work engagement present in the literature it becomes a complex construct and so poses difficulty in determining its true nature as each study examines work engagement under a different conditions prevalent in the organisation. So in the nonexistence of a universally defined construct, the measurement of work engagement, its management becomes difficult and so the efforts to improve it cannot be identified. (Ferguson 2007).

Engagement is more than simple job satisfaction and high retention rates. Fully engaged workers are those who are physically energized, emotionally connected, mentally focused, and feel aligned with the purpose of the agency (Loehr & Schwartz, 2003). Engaged employees have a bond with the organization. These individuals feel empowered and in control of their fate at work. They identify with the agency mission and are willing to commit the necessary emotional and personal energies necessary to excel in their work. But for this study because of the popularity of Kahn (1990), the researchers decide to utilise his scale for measuring work engagement in financial institutions in Gujarat.

Research Methodology

Objectives

- To study overall work engagement for employees of financial institutions
- To identify the factors structure of work engagement
- To study the impact of demographic variables on work engagement

Hypothesis

H₀: There is no significance variance across different levels of management, years of experiences and education level for work engagement

H₀: There is no relation between factors of work engagement

Research Design

As the research is based on the concerned conditions, relationships that exist, opinion that would be held, processes that are going on, effects that are evident and trends that are developing, so the research design was descriptive research design.

Data Collection

Survey method used for collecting the data for the study. Survey method covers overall assessment of a respondent about any object and his or her favourable or unfavourable opinion about it. For collecting information, the structured questionnaire has been filled by employees of various financial institutions.

Sampling

The convenience sampling method has been used to select the sampling units

Research Instrument

Structured questionnaire of Utrecht Work Engagement Scale (UWES) comprising of 17 items was used for this research.

Reliability Analysis

| Reliability Statistics (Table 1) | | |
|----------------------------------|------------------|------------|
| Scaled factor | Cronbach's Alpha | N of Items |
| Vigor | 0.94 | 06 |
| Dedication | 0.943 | 06 |
| Absorption | 0.938 | 05 |

As Cronbach alpha of inter-items is more than 0.6 for all the three factors, the UWES scale used in this research is reliable.

Data Analysis & Interpretations

A) Measurement of overall work engagement

| Descriptive Statistics | | |
|---|-----|------------|
| | N | Mean |
| 1 At my work, I feel bursting with energy | 200 | 3.94 |
| 2 I find the work that I do full of meaning and purpose | 200 | 4.08 |
| 3 Time flies when I'm working | 200 | 3.72 |
| 4 At my job, I feel strong and vigorous | 200 | 3.69 |
| 5 I am enthusiastic about my job | 200 | 3.77 |
| 6 When I am working, I forget everything else around me | 200 | 3.42 |
| 7 My job inspires me | 200 | 3.67 |
| 8 When I get up in the morning, I feel like going to work | 200 | 3.65 |
| 9 I feel happy when I am working intensely | 200 | 3.76 |
| 10 I am proud on the work that I do | 200 | 3.72 |
| 11 I am immersed in my work | 200 | 3.51 |
| 13 I can continue working for very long periods at a time | 200 | 3.50 |
| 14 To me, my job is challenging | 200 | 3.34 |
| 15 I get carried away when I'm working | 200 | 3.16 |
| 16 At my job, I am very resilient, mentally | 200 | 3.39 |
| 17 It is difficult to detach myself from my job | 200 | 3.35 |
| 18 At my work I always persevere, even when things do not go well | 200 | 3.35 |
| Grand Mean Score | | 3.6 |

Interpretations:

Overall work engagement grand mean score is 3.6 on a scale of 1 to 5 where 1 represents strongly disagree and 5 represents strongly agree, so the grand mean score indicates positive level of agreement towards work engagement of these employees in their respective financial institutions

| (Table 4) Rotated Component Matrix^a | | | |
|---|-----------|------|------|
| | Component | | |
| | 1 | 2 | 3 |
| 1 At my work, I feel bursting with energy | | | .751 |
| 2 I find the work that I do full of meaning and purpose | | | .761 |
| 3 Time flies when I'm working | .678 | | |
| 4 At my job, I feel strong and vigorous | .774 | | |
| 5 I am enthusiastic about my job | .787 | | |
| 6 When I am working, I forget everything else around me | | .760 | |
| 7 My job inspires me | .773 | | |
| 8 When I get up in the morning, I feel like going to work | .804 | | |
| 9 I feel happy when I am working intensely | .796 | | |
| 10 I am proud on the work that I do | .815 | | |
| 11 I am immersed in my work | .559 | .655 | |
| 13 I can continue working for very long periods at a time | .682 | .507 | |
| 14 To me, my job is challenging | | .704 | |
| 15 I get carried away when I'm working | | .879 | |
| 16 At my job, I am very resilient, mentally | | .592 | |
| 17 It is difficult to detach myself from my job | | .702 | |
| 18 At my work I always persevere, even when things do not go well | | .621 | |
| Extraction Method: Principal Component Analysis. | | | |
| Rotation Method: Varimax with Kaiser Normalization. | | | |
| a. Rotation converged in 6 iterations. | | | |

B) Exploratory Factor Analysis for Work Engagement Scale

| KMO and Bartlett's Test (Table 2) | | |
|--|--------------------|---------|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | .961 |
| Bartlett's Test of Sphericity | Approx. Chi-Square | 4.560E3 |
| | df | 136 |
| | Sig. | 0.000 |

| Total Variance Explained (Table 3) | | | | | | | | | |
|--|---------------------|---------------|--------------|-------------------------------------|---------------|--------------|-----------------------------------|---------------|--------------|
| Component | Initial Eigenvalues | | | Extraction Sums of Squared Loadings | | | Rotation Sums of Squared Loadings | | |
| | Total | % of Variance | Cumulative % | Total | % of Variance | Cumulative % | Total | % of Variance | Cumulative % |
| 1 | 12.820 | 75.412 | 75.412 | 12.820 | 75.412 | 75.412 | 6.417 | 37.745 | 37.745 |
| 2 | 0.974 | 5.732 | 81.144 | 0.974 | 5.732 | 81.144 | 5.032 | 29.598 | 67.343 |
| 3 | 0.505 | 2.972 | 84.116 | 0.505 | 2.972 | 84.116 | 2.851 | 16.773 | 84.116 |
| 4 | 0.417 | 2.455 | 86.571 | | | | | | |
| 5 | 0.377 | 2.217 | 88.788 | | | | | | |
| 6 | 0.320 | 1.882 | 90.669 | | | | | | |
| 7 | 0.260 | 1.529 | 92.198 | | | | | | |
| 8 | 0.233 | 1.368 | 93.566 | | | | | | |
| 9 | 0.215 | 1.263 | 94.829 | | | | | | |
| 10 | 0.185 | 1.085 | 95.915 | | | | | | |
| 11 | 0.146 | 0.860 | 96.775 | | | | | | |
| 12 | 0.130 | 0.765 | 97.540 | | | | | | |
| 13 | 0.107 | 0.629 | 98.169 | | | | | | |
| 14 | 0.095 | 0.560 | 98.729 | | | | | | |
| 15 | 0.086 | 0.507 | 99.237 | | | | | | |
| 16 | .077 | .454 | 99.691 | | | | | | |
| 17 | .053 | .309 | 100.000 | | | | | | |
| Extraction Method: Principal Component Analysis. | | | | | | | | | |

Interpretations:

As per table 2, KMO and Bartlett's Test was significant so EFA is possible. Table 3 shows that the total variances across three factors identified are 84.116 which imply that the scale measures almost 84% of work engagement in the financial institutions. Also, the first two factors contribute 37.745 and 29.598 % of total variances respectively.

As per table 4, first factor comprises of 7 items and second factors comprises of 6 items. As the third factor comprises of only 2 items, it is not being considered.

Based on the items that contributes to the first factor, it is named as Work Satisfaction and second factor, is named as Job involvement. This research concludes that the work engagement scale comprises of only important factors namely; Work Satisfaction and Job involvement for the financial institutions in Gujarat.

C) ANOVA

H₀: There is no significance variance across different levels of management, years of experiences and education level for work engagement

| ANOVA (Year of Experience vs Work Engagement) Table 5 | | | | |
|---|----------------|----------------|-------|-----------------------------|
| | | Sum of Squares | Sig. | Decision for H ₀ |
| Work Satisfaction | Between Groups | 6.165 | 0.412 | Not accepted |
| | Within Groups | 418.724 | | |
| | Total | 424.889 | | |
| Job Involvement | Between Groups | 7.197 | 0.236 | Not accepted |
| | Within Groups | 329.217 | | |
| | Total | 336.413 | | |
| ANOVA (Level of Management vs Work Engagement) | | | | |
| Work Satisfaction | Between Groups | 2.749 | 0.528 | Not accepted |
| | Within Groups | 422.140 | | |
| | Total | 424.889 | | |
| Job Involvement | Between Groups | 3.240 | 0.386 | Not accepted |
| | Within Groups | 333.174 | | |
| | Total | 336.413 | | |
| ANOVA (Education vs Work Engagement) | | | | |
| Work Satisfaction | Between Groups | 6.165 | 0.412 | Not accepted |
| | Within Groups | 418.724 | | |
| | Total | 424.889 | | |
| Job Involvement | Between Groups | 7.197 | 0.236 | Not accepted |
| | Within Groups | 329.217 | | |
| | Total | 336.413 | | |

Interpretations: As per ANOVA table, it is concluded that defined null hypothesis is not accepted. Hence, the demographic variables of levels of management, years of experiences and education level affects work engagement.

D) Correlation**H₀: There is no relation between factors of work engagement**

| Correlations Table 6 | | | | |
|--|---------------------|--------------------|--------------------|-----------------------------|
| | | Average of 7 items | Average of 6 items | Decision for H ₀ |
| Work Satisfaction | Pearson Correlation | 1 | 0.849** | Accepted |
| | Sig. (2-tailed) | | .000 | |
| | N | 200 | 200 | |
| Job Involvement | Pearson Correlation | 0.849** | 1 | |
| | Sig. (2-tailed) | .000 | | |
| | N | 200 | 200 | |
| **. Correlation is significant at the 0.01 level (2-tailed). | | | | |

Interpretations: There is no Correlation between identified factors, work satisfaction and job involvement. But both contribute to the measurement of overall work engagement for employees of financial institutions.

Conclusion

This research concludes that overall work engagement for employees of financial institutions is positive level of agreement. From the structured UWES-17 items scale, two important factors, namely work satisfaction and job involvement were identified for measuring overall work engagement. Though, these factors are not inter-related with each other but they combined contribute for work engagement for employees of financial institutions. Research study shows that the demographic variables have effect on work engagement. Further studies can be done in different industries in different geographical areas to validate the work engagement.

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