

“RETAINING EMPLOYEE ENGAGEMENT THROUGH REWARDS AND RECOGNITION AT SELECTED PRIVATE BANKS OF INDORE”

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ABSTRACT

The present study is conducted with the purpose of analysing the role played by rewards and recognition in retaining employee engagement at selected private banks of city Indore. In the study, the researcher has measured the existing level of engagement at banks under study where employees from four private banks were reached out with the help of a structured questionnaire and responses from 100 employees were collected seeking data on their engagement levels and prevailing rewards and recognition practices there. The results of the analysis disclose that employee engagement at private banks of Indore is slightly up than moderate and ‘rewards & recognition’ do have a significant effect on employee engagement.

KEYWORDS: *Employee Engagement, Rewards and Recognition*

Article History

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INTRODUCTION

Employee Engagement has recently been one of the subjects of interest for most of the organisations. This has become now a priority for organisations of almost all the type because rapid changes in work policies, work styles, growing customer needs, and growing work pressure subjected to global competition, calls for more dedication, commitment and involvement towards work on the side of employees. The studies done by earlier researchers witnessed that engaged employees are dedicated, committed and involved in their work physically as well as emotionally. They are loyal towards their work and are ready to work for even long hours generating healthy outputs which is satisfying not only for the organisation but also for themselves.

Banks as one of the key player of Indian financial system requires engaged human resources that could help them deal with soaring demands of customers, manage customer relationships, perform multitude of activities, reaching out targets to set an edge in the competitive world. The existing results of the past studies suggest several factors that help in creating and retaining good engagement levels of employees. Rewards and recognition is one such factor that affects the engagement level of employees positively. The current study aims to study the employee engagement and contribution of rewards and recognition in retaining employee engagement at four private banks of city Indore by analysing the strength of this factor with which it affects employee engagement.

STATEMENT OF THE PROBLEM

The increasing competition and pressure of multitude of activities, completing targets within short deadlines consume all interest of employees. To survive in the world of complexity and keep the work flow at an uninterrupted pace requires the organisation to restore and retain the interest, motivation and engagement of employees at work. The present study focuses on analysing the role of rewards and recognition in retaining employee engagement at private banks of city Indore.

LITERATURE REVIEW

Richard Wellin, Paul Berntha, Mark Phelps (2015)

In their study concluded that engaged employees mark their presence by improving performance and helping organisation in abiding by the strategies laid down. The study highlights important role of leaders in improving engagement levels by installing trust and loyalty, by inspiring them, coaching them, rewarding them, by focusing on hiring and selection system, maintaining good working conditions and by promoting right kind of leadership. It also advocated that securing good engagement levels requires continuous efforts from leaders in the organisation.

Jyoti Naganath Shinde and Dr. V.K. Sawant (2015)

In their review paper compiled several factors affecting employee engagement and the factors were reward system, appreciation, leadership behaviour, training and development, support of co-workers, motivation. The findings were compiled after going through research papers, text books and articles on the subject.

Yee Sia Joo (2012)

Studied the impact of four factors on employee engagement. The four factors studied were - rewards and recognition, internal communication, involvement and participation and work life balance. The researcher had conducted a survey by distributing questionnaire among the employees of an MNC in Penang and the results stated that employee engagement can be created by a good work life balance, healthy communication, rewards and recognition and involvement & participation.

Scott Dow & Tom McMullen (2010)

In their study on impact of rewards program on employee engagement concluded that rewards do influence engagement levels at work. It further stated that more than base pay, intangible rewards, incentives and type of leadership create influence on engagement levels. It was suggested that organisation must concentrate on total rewards than on just monetary rewards.

Frank et al. (2004)

Concluded that engaged employees are ready to give extra efforts and time to yield the output as per the desired quality and they are proud of their work. They don't work for financial gains but are attached and committed towards their work and thus show voluntary efforts at work.

RESEARCH GAP

The past researches on employee engagement state that rewards and recognition are one of the important antecedents of employee engagement but not any of the studies with reference to Private Banks of Madhya Pradesh has been found. The study aims to fill the gap in existing body of literature by analysing if rewards and recognition affect employee engagement at private banks of city Indore, one of the prominent and populated cities of Madhya Pradesh.

OBJECTIVE

- To measure the level of employee engagement at private banks of Indore.
- To analyse the relationship between ‘employee engagement’ and ‘rewards & recognition’ at private banks of Indore.
- To analyse the effect of rewards and recognition practices on employee engagement at private banks of Indore.

HYPOTHESIS

- H1- There is positive relationship between ‘employee engagement’ and ‘rewards & recognition’ at private banks of Indore.
- H2- There is significant effect of rewards and recognition on employee engagement at private banks of Indore.

RESEARCH METHODOLOGY

For the study, primary data was collected through a structured questionnaire and the reliability of questionnaire was tested with the help of cronbach alpha whereby its values obtained corresponding to ‘employee engagement scale’ and ‘rewards and recognition scale’ were 0.93 and 0.89 respectively. Besides, the secondary data was sourced through research papers, books, journal and articles. The researcher has collected data from 100 employees of selected private banks of city Indore. Firstly, top four private banks including HDFC, ICICI, AXIS and Kotak Mahindra were selected deliberately on the basis of their performance and then from each bank a sample of 25 employees was selected on the basis of convenience sampling, thus comprising sample size of total 100 respondents. For the data analysis, percentage method was used and hypothesis was tested by using Pearson correlation and simple linear regression in SPSS version 21.

SCOPE FOR FURTHER RESEARCH

The present study revolves around four private banks of city Indore, giving emphasis on effect of rewards and recognition on employee engagement. The study does not cover impact of other factors on employee engagement. The future researcher can study role of other factors in securing employee engagement. Also, a study covering other private banks can be made to know more about engagement levels and factors associated with them in private banking sector.

LIMITATIONS

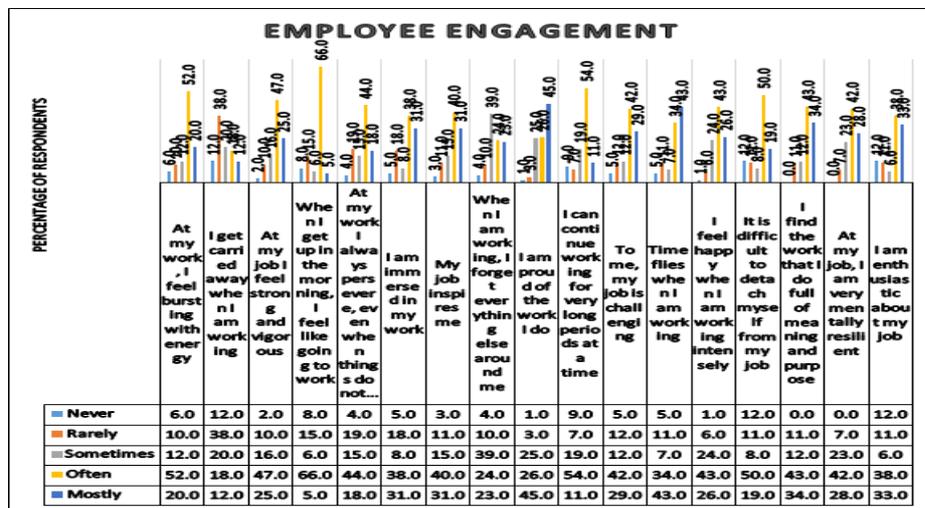
- The respondents were reluctant in filling up questionnaire because of their busy schedule.
- The study was made in private banks of city Indore only, so results may not be generalised.
- The sample size taken was small to represent entire population.

DATA ANALYSIS AND INTERPRETATION

The data collected against employee engagement and rewards & recognition scale has been analysed by percentage method and mean score. And for testing the hypothesis, correlation and regression were used in SPSS version 21. The results generated in context to analysis and hypothesis testing are presented below:

Table 1: Employee Engagement at Selected Private Banks of Indore

S. No.	Statements	Frequency/ Percentage	Never	Rarely	Sometimes	Often	Mostly	Total
1	At my work, I feel bursting with energy	Frequency	6	10	12	52	20	100
		Per cent	6.0	10.0	12.0	52.0	20.0	100.0
2	I get carried away when I am working	Frequency	12	38	20	18	12	100
		Per cent	12.0	38.0	20.0	18.0	12.0	100.0
3	At my job I feel strong and vigorous	Frequency	2	10	16	47	25	100
		Per cent	2.0	10.0	16.0	47.0	25.0	100.0
4	When I get up in the morning, I feel like going to work	Frequency	8	15	6	66	5	100
		Per cent	8.0	15.0	6.0	66.0	5.0	100.0
5	At my work I always persevere, even when things do not go well	Frequency	4	19	15	44	18	100
		Per cent	4.0	19.0	15.0	44.0	18.0	100.0
6	I am immersed in my work	Frequency	5	18	8	38	31	100
		Per cent	5.0	18.0	8.0	38.0	31.0	100.0
7	My job inspires me	Frequency	3	11	15	40	31	100
		Per cent	3.0	11.0	15.0	40.0	31.0	100.0
8	When I am working, I forget everything else around me	Frequency	4	10	39	24	23	100
		Per cent	4.0	10.0	39.0	24.0	23.0	100.0
9	I am proud of the work I do	Frequency	1	3	25	26	45	100
		Per cent	1.0	3.0	25.0	26.0	45.0	100.0
10	I can continue working for very long periods at a time	Frequency	9	7	19	54	11	100
		Per cent	9.0	7.0	19.0	54.0	11.0	100.0
11	To me, my job is challenging	Frequency	5	12	12	42	29	100
		Per cent	5.0	12.0	12.0	42.0	29.0	100.0
12	Time flies when I am working	Frequency	5	11	7	34	43	100
		Per cent	5.0	11.0	7.0	34.0	43.0	100.0
13	I feel happy when I am working intensely	Frequency	1	6	24	43	26	100
		Per cent	1.0	6.0	24.0	43.0	26.0	100.0
14	It is difficult to detach myself from my job	Frequency	12	11	8	50	19	100
		Per cent	12.0	11.0	8.0	50.0	19.0	100.0
15	I find the work that I do full of meaning and purpose	Frequency	0	11	12	43	34	100
		Per cent	0.0	11.0	12.0	43.0	34.0	100.0
16	At my job, I am very mentally resilient	Frequency	0	7	23	42	28	100
		Per cent	0.0	7.0	23.0	42.0	28.0	100.0
17	I am enthusiastic about my job	Frequency	12	11	6	38	33	100
		Per cent	12.0	11.0	6.0	38.0	33.0	100.0

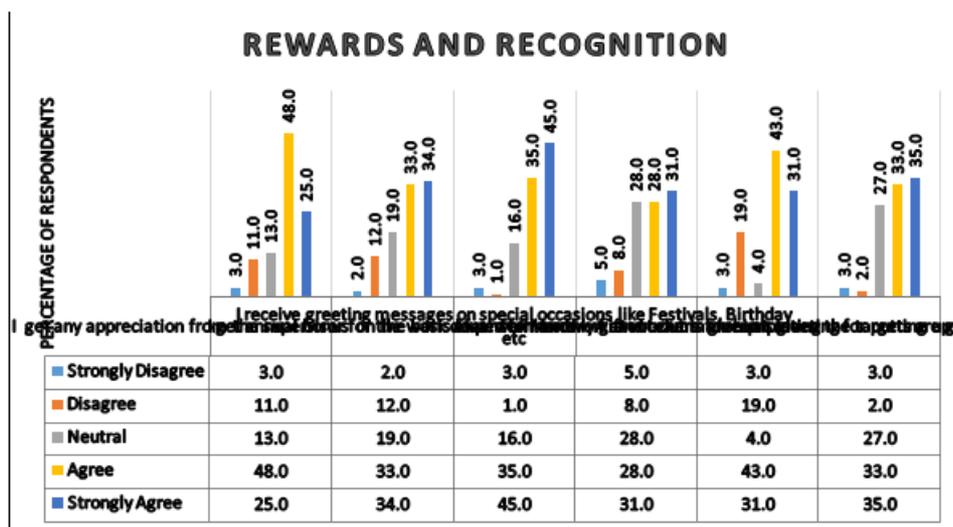


Graph 1: Employee Engagement at Selected Private Banks of Indore.

The above **graph 1** reveals that 52 % of the respondents said they ‘often’ feel bursting with energy at their work, 38% of respondents said they ‘often’ get carried away when they are working, 47% respondents ‘often’ feel strong and vigorous at their job, 66% of respondents said they ‘often’ feel like going to work when they get up in the morning, 44% of respondents ‘often’ persevere well even if things do not go well, 38% of respondents said they ‘often’ get immersed in work whereas 31% ‘mostly’ feel immersed in work, 40% said their job ‘often’ inspires them, 39% said they ‘sometimes’ forget everything while they are working, 45% are ‘mostly’ proud of the work they do, 54% can ‘often’ work for long period, 42% of respondents ‘often’ feel that their job is challenging, 43% said ‘mostly’ their time flies when they are working, 50% said ‘mostly’ it is difficult to detach from the job, 43% of respondents said that they are ‘often’ find their work meaningful, 42% said that they ‘often’ are mentally resilient at their job, 38% of respondents said that they are ‘often’ enthusiastic about their job.

Table 2: Rewards and Recognition at Selected Private Banks of Indore

S. No.	Statements	Frequency/ Percentage	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
1	I get any appreciation from the supervisor for the work done well	Frequency	3	11	13	48	25	100
		Per cent	3.0	11.0	13.0	48.0	25.0	100.0
2	I get annual bonus on the basis of performance	Frequency	2	12	19	33	34	100
		Per cent	2.0	12.0	19.0	33.0	34.0	100.0
3	I receive greeting messages on special occasions like Festivals, Birthday etc.	Frequency	3	1	16	35	45	100
		Per cent	3.0	1.0	16.0	35.0	45.0	100.0
4	Award for hard work and teammanship is given	Frequency	5	8	28	28	31	100
		Per cent	5.0	8.0	28.0	28.0	31.0	100.0
5	Monthly gift vouchers for completing the targets are given	Frequency	3	19	4	43	31	100
		Per cent	3.0	19.0	4.0	43.0	31.0	100.0
6	A shout-out is given at meeting for putting up special efforts on a project	Frequency	3	2	27	33	35	100
		Per cent	3.0	2.0	27.0	33.0	35.0	100.0



Graph 2: Rewards and Recognition at Selected Private Banks of Indore.

The **graph 2** reveals that 73% of respondents agree/ strongly agree that they get appreciation from their supervisor for the work done well, 67% respondents agree/ strongly agree that they get bonus annually on the basis of performance, 80% of respondents agree/ strongly agree that they receive messages on special occasions like festivals, birthday etc., 59% of respondents agreed that award for teammanship and hard work is given, 74% of respondents agreed that monthly gift vouchers are given to them for completing the targets, 68% respondents agreed that a shout out is given at meeting for putting special efforts and work.

H1-There is Positive Relationship between Employee Engagement and Rewards & Recognition at Private Banks of Indore.

To analyse the relationship between ‘rewards& recognition’ and ‘employee engagement’, The researcher executed Pearson correlation in SPSS and the findings to which are stated below:

Table 3: Correlations

		Level of Employee Engagement	Rewards and Recognition
Level of Employee Engagement	Pearson Correlation	1	.939**
	Sig. (2-tailed)		.000
	N	100	100
Rewards and Recognition	Pearson Correlation	.939**	1
	Sig. (2-tailed)	.000	
	N	100	100

** . Correlation is Significant at the 0.01 Level (2-Tailed).

The output generated from Pearson correlation (**table 3**) reflects that coefficient of correlation ‘r’ is 0.939 which is quite close to 1 and depicts a strong correlation between the two variables. Also, the P value is 0.000 which is less than 0.05 and therefore the **hypothesis on relationship between ‘rewards& recognition’ and ‘employee engagement’ is accepted** and it can be said that there is positive relationship between rewards recognition and employee engagement at selected private banks of Indore.

H2-There is Significant Effect of Rewards and Recognition on Employee Engagement at Private Banks of Indore.

In context to above stated hypothesis, simple linear regression was used by the researcher and the output generated is presented below:

Table 4: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.939 ^a	.882	.881	.28059

a. Predictors: (Constant), Rewards and Recognition

Table 5: ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.	
1	Regression	57.837	1	57.837	734.613	.000 ^b
	Residual	7.716	98	.079		
	Total	65.552	99			

a. Dependent Variable: Level of Employee Engagement
b. Predictors: (Constant), Rewards and Recognition

Table 6: Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	.314	.128		2.456	.016
	Rewards and Recognition	.870	.032	.939	27.104	.000

a. Dependent Variable: Level of Employee Engagement

The value of adjusted R square given in the **table 4** is 0.88 which states 88% of variability in engagement levels of employees is caused by rewards and recognition. From the **table 5**, it is evident that P value is 0.000 and since it is less than 0.05, therefore it can be inferred that model is significant and **hypothesis is accepted**. Thus, there is significant effect of rewards and recognition on employee engagement at selected private banks of Indore.

The **table 6** gives the value of B coefficient as 0.87, which depicts that increase in one unit of rewards and recognition will cause an increase in employee engagement by 0.87 units. Thus, it is claimed that rewards and recognition play an important role in retaining employee engagement at private banks of Indore.

FINDINGS OF THE STUDY

- The employee engagement at private banks of Indore is slightly up than moderate level as the overall mean score for the employee engagement scale is 3.69 and the attitude of employees towards rewards and recognition practices is towards positive side as the overall mean score for the same is 3.88 which is quite close to 4.
- The results of the hypothesis testing reveal that there is positive relationship between ‘rewards and recognition’ and ‘employee engagement’ at private banks of Indore. The value of ‘r’ is 0.93 and since it is quite close to one, it indicates that there is a very strong correlation between the variables and increase in rewards and recognition causes increase in employee engagement.
- It was found after hypothesis testing that there is significant effect of rewards and recognition on employee engagement at private banks of Indore. The value of B coefficient is 0.87 which indicates that with the rise in one unit of rewards and recognition, employee engagement rises by 0.87 unit. Thus, rewards and recognition play a very important role in retaining engagement levels of employees at private banks of city Indore.

CONCLUSIONS

The in-depth analysis on the subject discloses that the employee engagement at private banks of Indore is slightly up than moderate but still there is scope of improvement in the area and this improvement can be made by focussing on rewards and recognition practices as the study proves that rewards and recognition have a positive impact on engagement levels of private banks at city Indore.

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