CHAPTER 1: INTRODUCTION

This chapter consists of four sections. The first section briefly introduces the roots of work engagement. The second section describes how work engagement is connected to its prominent correlates. The third section is about the motivation for the study. The last section espouses the layout of the dissertation.

1.1. The Roots of Work Engagement

According to the self and role theory, the behaviors that connote attachment between people and their roles signify role embracement, whereas, the behaviors that connote separation between people and their roles signify role distance (Katz & Kahn, 1978). Role embracement represents engagement and role distance represents disengagement.

The scope of this dissertation is limited to role embracement which has two major conceptualizations. First is Kahn’s (1990) personal engagement. In this type of engagement, people simultaneously invest their physical (physical efforts), cognitive (cognitively vigilant), and emotional energies in order to attach themselves with their role. Second is Schaufeli et al.’s (2002) work engagement. It is defined as the extent to which employees are vigorous (energy, zest, stamina, and willingness), dedicated (meaningfulness, significance and proud) and absorbed (happy engrossment and immersion) in their work role. Compared to Kahn’s personal engagement, Schaufeli et al.’s (2002) concept of work engagement received considerable
attention from the research community and they not only narrowed down engagement to the organizational setting but also developed its measures.

1.2. Work Engagement and its Prominent Correlates

Since 2002, scholars have been interested in exploring and testing the causes and outcomes of personal and work engagement. For example, Rich et al. (2010) found that value congruence, which is defined as the extent to which individuals’ values resemble with the organization’s cultural values (Chatman, 1989), positively predicts personal engagement. Also, a meta-analytic study done by Christian et al. (2011) tested Hackman and Oldham’s (1976) argument that companies can foster positive work attitudes and increase worth of the work by enhancing characteristics of a job and found that job characteristics such as, skill variety (types of skills required by the job) and task significance (extent job affects lives of others) significantly predicted work engagement. Research studies also indicate that engaged employees exhibit improved in-role (behaviors listed in the job descriptions and recognized by formal rewards (Williams & Anderson, 1991) and extra-role performance in terms of organizational citizenship behavior (behaviors beyond the job description and not recognized by formal rewards) (e. g., Rich et al., 2010).

1.3. Motivation for the Study

The word ‘engagement’ is increasingly becoming a popular concept in both, industry and academia. But there are certain differences in the definitions given by consultants and academic scientists. Most consultants define engagement - what they call ‘employee engagement’ - in the form of organizational commitment, passion, and extra-role behavior. Taking this definition as a
base, they conducted different surveys to check the engagement levels of the employees. For instance, the Gallup survey (2011-12) which has also been termed as mother of all surveys by the Forbes magazine, shows that employee engagement in India, stands at an extremely low level of nine percent compared to the world engagement level of 13% (Crabtree, 2013; Kohli & Grover, 2013). However, researchers argue that such definitions and findings lack academic rigor because employee engagement appears to be no better than a higher order construct and its measure involves some other items such as, perceived coworker support. Therefore, it is preferable to use the academic definition of engagement which scholars call ‘work engagement’. Work engagement is defined as a positive-affective psychological state wherein employees experience embracement with their work role (Schaufeli, et al., 2002).

Despite differences in the way industry and academia define the term: ‘engagement’, there is a consensus on the positive influence of engagement on employee performance. For example, Gallup’s report 2011-12 found that engagement positively predicts employee performance. Similarly, Rich et al. (2010) found that engagement not only positively predicts employee performance but is a better predictor than employee satisfaction, involvement, and intrinsic motivation in the workplace. Since, work engagement is a major cause of superior employee performance, it is imperative to identify its various precursors and how these precursors enhance employees’ engagement at work. Interestingly, to the best of the researcher’s knowledge, there is no study in the Indian banking industry to understand the linkages between work engagement, its consequences, and employee performance.

In the past decade and a half, work engagement has emerged as a popular concept in the practitioners and academics community. It is primarily because of its positive consequences for individuals and organizations (Schohat and Vigoda-Gadot, 2010). Due to the intense
competition, the organisations not only need to recruit and retain talent, they also need to engage them physically, emotionally, and cognitively at work (Bakker and Leiter, 2010; Macey et al., 2011). Gallup’s report 2011-12 found that engagement positively predicts employee performance. Similarly, Rich et al. (2010) found that engagement not only positively predicts employee performance but is a better predictor than employee satisfaction, involvement, and intrinsic motivation in the workplace. Since, work engagement is a major cause of superior employee performance, it is imperative to identify its various precursors and how these precursors enhance employees’ engagement at work. Interestingly, to the best of the researcher’s knowledge, there is no study in the Indian banking industry to understand the linkages between work engagement, its consequences, and employee performance. Despite the attention work engagement has received, the research is sparse as far as its antecedents and consequences in the Indian context are concerned (Agarwal, 2014).

The scope of this study covers Indian context because of the several reasons cited by Agarwal (2014), Gupta, Acharya, and Gupta (2015), Gupta and Pandey (2016), Pandey, Gupta, and Naqvi (2016), Shaheen, Gupta, Sayeed, and Alok (2014), Gupta and Sheeen (2017a), and Gupta and Sheeen (2017b). These reasons pertain to India’s high economic growth, its greater demographic dividend, scarcity of engagement studies in India, and the differences in the values of Indians from the western people in terms of their associative and nurturing needs. For instance, the Indian economy is the 10th largest in the world in terms of nominal GDP, is one of the G-20 major economies and a member of BRICS. According to IMR, it is the 19th largest exporter and 10th largest importer across the globe, according to the (The Economist, 2010). It has “demographic dividend” (Aiyar and Mody, 2011) with the number of working people exceeding its number of retirees. Like countries in the west, India has seen significant
developments since 1991, especially in the occupational practices and employee-organisation relationships (Ahluwalia, 2002). After liberalization in 90s, Indian companies faced stiff competition from foreign companies and had to cut costs in terms of withdrawing several benefits. These benefits included job security, provisions for retirement and time-based career growth, among others. Because of the increased competition from the western companies, it is important to study the relationships studied mainly in the west in the context of India.

According to PwC Saratoga India 2011-12 survey, 35% of the Indian banking workforce have tenures of less than two years and as per the HR services company Randstad India, the Indian banking industry is expected to be among the biggest job creators (20 lakh jobs) during 2014-2019 (PwC Saratoga India 2011-12 survey, 2012). Also, recent schemes announced by the Government of India such as, ‘Jan-Dhan Yojana’, ‘Pradhan Mantri Jeevan Jyoti Bima Yojana’, and Gold bond scheme demand bank employees to open bank accounts and/or channelize funds at a large scale in a specified time frame (National portal of India, 2016). A recent demonetization move of the central government to curb black and fake money of banning the old INR 500 and 1000 denominations has made banks the center of Government’s focus (Ministry of Finance, 2016). Given the promising future of banking industry in India and the strategic importance of banks in an economy, it is imperative for the banks to happily engross and optimally utilize their workforce. Amid such high expectations and immense pressure, employees would like to work for those banks that optimally utilize their competence and provide cognitive, emotional, and physical support whenever necessary because past literature suggests that highly engaged employees improve productivity (HBR, 2013).
1.4. Organization of the Dissertation

The rest of the dissertation espouses the following structure: Chapter 2 sheds light on the self and role theory, critically reviews seminal papers on engagement, and reviews most prominent contemporary papers in detail to delineate research gaps. Chapter 3 lists the gaps derived from the literature survey followed by the study objectives. It also includes theoretical framework and hypotheses to be tested. Chapter 4 is ‘research methodology’ that describes how data were collected the procedure used to test the study hypotheses. It starts with ‘procedure and participants’ followed by ‘measures’, and ‘data analyses’. Chapter 5 includes presentation and interpretation of the study results to decide on the relationships under investigation. Chapter 6, the final chapter of this dissertation, compares findings of this dissertation with the results of the previous studies, discusses theoretical contributions along with practical implications, lists study limitations, and suggests direction for future research.