Final Synopsis towards the partial fulfillment of the PhD degree

On

“Impact of Organizational Culture and Communication on Employee Engagement”

Submitted by

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CHAPTER I

INTRODUCTION

1.3 Introduction to the study

Success stories of flourishing business organizations have been scripted on contributions made by engaged employees. Engaged employees profoundly express themselves physically, cognitively and emotionally during their role performances in the organization. They act as drivers of financial and market success. They give stellar performances by trying to stretch themselves and continuously striving to outperform and set new standards of excellence. Owing to this, enhancing employee engagement has gained momentum in business organizations across the globe. Employees are engaged when organizations have healthy work culture and communication practices, where they can get platforms to express their concerns and opportunities to grow and develop their potential. Today competitors can emulate the performance of the service provided but they cannot replicate the vigor, dedication and absorption of their employees at the place of work. This thesis outlines how employee engagement can be increased through organizational culture and communication. This study provides a methodology for measuring impact of these antecedents on facilitating employee engagement.
1.2 Employee Engagement

Employee engagement is the degree to which an employee is cognitively and emotionally attached to his work and organization. It reflects in the level of identification and commitment an employee has towards the organization and its values. An engaged employee is aware of the business context, and works as a team member to improve performance of the job for the benefit of the organization. Engaged employees are concerned about the future of the organization and are willing to invest discretionary efforts for the organization. Hewitt Associates (2006) defines employee engagement as those who say speak - positively about the organization, stay – desire to be an effective member and strive - continue to perform beyond minimal requirements for the organization. Engaged employees are more profitable, productive, focused, have fun and less likely to leave the company because they are engaged (Gallup Organization, USA, 1999). Employee engagement is closely linked to employee turnover, customer satisfaction, loyalty, productivity, safety and profitability criteria (Harter, Schmidt and Hayes 2002). Studies on Employee engagement (Tower Perrin, USA 2003, 2007) linked the same to customer impact and financial results. They suggested that there exists a close relationship between high levels of employee engagement and lower staff turn-over rates, higher customer satisfaction and loyalty. The need to create development and career growth opportunities, appropriate leadership styles and work – life balance were deemed important to attract, retain and engage employees. Engaged employees are not just committed but passionate about their work. According to Watson Wyatt (2002) consulting companies, as organizations globalize and become more dependent on technology in a virtual working environment, there is greater need to connect and engage with employees to provide them with an organizational identity. They have a line-of-
sight of their future and on the organization’s mission and goals. They are enthused and in gear, using their talents and discretionary effort to make a difference in their employer’s quest for sustainable business success.

According to Corporate Leadership Council (2004), engaged employees are less likely to feel exhausted and express cynicism towards the organization. They are assets who will guarantee organizational success.

1.3 Drivers of Employee Engagement

Employee engagement is an outcome of interplay of several individual and organizational factors at work. Although there is little empirical research on the factors that predict employee engagement, it is possible to identify a number of potential antecedents from Kahn’s (1990) and Maslach et al.’s (2001) model. Towers Perrin (2003) have identified senior management’s interest in employees’ well – being, challenging work, decision – making authority, customer orientation of the organization, career advancement opportunities, employer brand, collaborative work environment , resources to get work done and vision of the top management as drivers of employee engagement. Development Dimensions International (DDI)defined employee engagement as ‘ the extent to which people enjoy and believe in what they do and feel valued for doing it’ They have highlighted three main drivers of engagement- right employees in right jobs, exceptional leadership and organizational systems and strategies. Literature suggests that Organizational Culture enhances intrinsic motivation, employee commitment, job – involvement and job-satisfaction. (Fogarty1992, Russo, 1998, Woodruffle ,2006). Employees also perceive a sense of worth and belongingness if they are well
communicated by superiors, subordinates and colleagues (Hatch, 1966). Studies undertaken by Towers Perrin (2003), Watson Wyatt (2006) reflect that communicational climate and styles impact employee engagement. Lyndsey Havill (2010) also cites communication as one of the drivers of engagement for accounting firms. Organizations that wish to improve employee engagement should focus on employees’ perceptions of the support they receive from their organization (Saks, 2006). Several studies have been undertaken by researchers and consulting firms to ascertain the effects of employee engagement. But there is dearth of studies in exhaustively investigating the antecedents of employee engagement.

This study aims at unraveling the role and impact of organizational culture and communication on employee engagement.

1.4 Indian Banking Industry

Indian banking in the organized sector originated in the last decades of the 18th century. The first banks were The General Bank of India, which started in 1786, and Bank of Hindustan, which started in 1790. The oldest bank in existence in India is the State Bank of India, which originated in the Bank of Calcutta in June 1806, which almost immediately became the Bank of Bengal. This was one of the three presidency banks, the other two being the Bank of Bombay and the Bank of Madras, all three of which were established under charters from the British East India Company. For many years the Presidency banks acted as quasi-central banks. The three banks merged in 1921 to form the Imperial Bank of India, which, upon India's independence, became the State Bank of India. (http://finance.indiabizclub.com/info/Indian banking industry accessed on 19.10.2011)
Some banks like the Indian merchants in Calcutta was established the Union Bank in 1839, but it failed in 1848 as a consequence of the economic crisis of 1848-49. The Allahabad Bank, established in 1865 and still functioning today, is the oldest Joint Stock bank in India. When the American Civil War stopped the supply of cotton to Lancashire from the Confederate States, promoters opened banks to finance trading in Indian cotton. Subsequently, banking in India remained the exclusive domain of Europeans for next several decades until the beginning of the 20th century.

Foreign banks too started to arrive, particularly in Calcutta, in the 1860s. The Comptoir d'Escompte de Paris opened a branch in Calcutta in 1860, and another in Bombay in 1862; branches in Madras and Puducherry, then a French colony, followed. HSBC established itself in Bengal in 1869. Subsequently there was the existence of banks like Punjab National Bank, established in Lahore in 1895 and bank of India in 1906 in Mumbai – both of which were founded under private ownership. In the period that followed the Indian economy was passing through a relative period of stability. Around five decades had elapsed since the Indian Mutiny, and the social, industrial and other infrastructure had improved. Indians had established small banks, most of which served particular ethnic and religious communities.

The presidency banks dominated banking in India but there were also some exchange banks and a number of Indian joint stock banks. The exchange banks, mostly owned by Europeans, concentrated on financing foreign trade. The period between 1906 and 1911, saw the establishment of banks inspired by the Swadeshi movement. The Swadeshi movement inspired local businessmen and political figures to found banks of and for the Indian community. A number of banks established then have survived to the present such as Bank of India, Corporation Bank, Indian Bank, Bank of Baroda, Canara Bank and Central Bank of India.
India’s independence marked the end of a regime of the Laissez-faire for the Indian banking. The Industrial Policy Resolution adopted by the government in 1948 resulted in greater involvement of the state in different segments of the economy including banking and finance. A major milestone in the Indian banking industry was the setting up of the Reserve Bank of India. In 1949, the Banking Regulation Act was enacted which empowered the Reserve Bank of India (RBI) "to regulate, control, and inspect the banks in India." (http://finance.indiabizclub.com/info/Indian banking industry accessed on 19.10.2011)

1.4.1 Nationalization

Inspite of the essaying of broader and sweeping powers of Reserve Bank of India, most banks in India except the State Bank of India continued to be owned and operated by private persons. By the 1960s, the Indian banking industry had become an important tool to facilitate the development of the Indian economy. The Government of India issued an ordinance and nationalized the 14 largest commercial banks with effect from the midnight of July 19, 1969. "Within two weeks of the issue of the ordinance, the Parliament passed the Banking Companies (Acquisition and Transfer of Undertaking) Bill, and it received the presidential approval on 9 August 1969."

A second dose of nationalization of 6 more commercial banks followed in 1980. The stated reason for the nationalization was to give the government more control of credit delivery. With this move, the Government of India controlled around 91% of the banking business of India. Later on, in the year 1993, the government merged New Bank of India with Punjab National Bank. It was the only merger between nationalized banks and resulted in the reduction of the
number of nationalized banks from 20 to 19. After this, until the 1990s, the nationalized banks grew at a pace of around 4%, closer to the average growth rate of the Indian economy.

### 1.4.2 Liberalization

In the early 1990s, the then Narasimha Rao government embarked on a policy of liberalization, licensing a small number of private banks. These came to be known as New Generation tech-savvy banks, and included Global Trust Bank (which later amalgamated with Oriental Bank of Commerce, UTI Bank (now renamed as Axis bank), ICICI Bank and HDFC Bank. This move, along with the rapid growth in the economy of India, revolutionized the banking sector in India. All the three category of banks namely government owned banks, private banks and foreign banks saw steady growth during this period.

With the relaxation in the norms for Foreign Direct Investment, new strides were ushered in a modern outlook and tech-savvy methods of working for traditional banks, wide variety of product range and better penetration in various parts of the country. In terms of quality of assets and capital adequacy, Indian banks are considered to have clean, strong and transparent balance sheets relative to other banks in comparable economies in its region. The Reserve Bank of India along with the government of India have made significant changes to improve and strengthen the sector. These include rationalizing prudential norms, enhancing the payment system and integrating regulations between commercial and co-operative banks. These developments have led to the retail boom in the banking sector in India.

Most of the banks today have progressive practices and modern technology, which offer a wide array of products and services to various types of customers. The onslaught of liberalization will
continue to bring new and innovative interventions like corporate governance, leading
technological expertise, and experience in providing retail banking services across the globe. The
Indian banking sector is poised to witness immense competition with entry of new players.

1.4.3 Co-operative Banks

Co-operative movement is quite well established in India. The first legislation on co-operation
was passed in 1904. In 1914 the Maclagen committee envisaged a three tier structure for co-
operative banking viz. Primary Agricultural Credit Societies (PACs) at the grass root level, Central Co-operative Banks at the district level and State Co-operative Banks at state level or Apex Level. The first urban co-operative bank in India was formed nearly 100 years back in Baroda. The Co-operative banks are an important constituent of the Indian Financial System, judging by the role assigned to them, the expectations they are supposed to fulfil, their number, and the number of offices they operate. The co-operative movement originated in the West, but the importance that such banks have assumed in India is rarely paralleled anywhere else in the world. Their role in rural financing continues to be important even today, and their business in the urban areas also has increased phenomenally in recent years mainly due to the sharp increase in the number of primary co-operative banks. While the co-operative banks in rural areas mainly finance agricultural based activities including farming, cattle, milk, hatchery, personal finance etc. along with some small scale industries and self-employment driven activities, the co-operative banks in urban areas mainly finance various categories of people for Some of the co-operative banks are quite forward looking and have developed sufficient core competencies to challenge state and private sector banks.
According to NAFCUB the total deposits & lendings of Co-operative Banks is much more than Old Private Sector Banks & also the New Private Sector Banks. This exponential growth of Co-operative Banks is attributed mainly to their much better local reach, personal interaction with customers, their ability to catch the nerve of the local clientele.

Though registered under the Co-operative Societies Act of the Respective States (where formed originally) the banking related activities of the co-operative banks are also regulated by the Reserve Bank of India. They are governed by the Banking Regulations Act 1949 and Banking Laws (Co-operative Societies) Act, 1965. (Reserve Bank of India report on trend and progress of banking in India 2009-2010)

1.4.4 The Current Scenario

Currently India has 88 scheduled commercial banks- 28 nationalized banks (those where government of India have a stake), 29 private banks (these do not have government stake, they may be listed and traded on stock exchanges) and several co-operative banks. According to Reserve Bank of India (RBI) report 2009-10, there was a slowdown in the balance sheet growth of scheduled commercial banks (SCBs) with some slippages in their asset quality and profitability. Bank credit posted a lower growth of 16.6 per cent in 2009-10 on a year-on-year basis but showed signs of recovery from October 2009 with the beginning of economic turnaround. Gross non-performing assets (NPAs) as a ratio to gross advances for SCBs, as a whole, increased from 2.25 per cent in 2008-09 to 2.39 per cent in 2009-10.

The RBI has further asserted that, notwithstanding some knock-on effects of the global financial crisis, Indian banks withstood the shock and remained stable and sound in the post-crisis period.
Indian banks now compare favorably with banks in the region on metrics such as growth, profitability and loan delinquency ratios. In general, banks have had a track record of innovation, growth and value creation. The Reserve Bank has been initiating several measures to strengthen the banks taking cues from the international developments. Important regulatory initiatives such as the introduction of the Base Rate system is expected to lead to transparent and effective pricing of loan products while the intent to allow opening of new banks will instill competition and accelerate financial inclusion. Technological initiatives will help in providing cost effective banking services in under banked areas. Management of NPAs by banks remains an area of concern, particularly, due to the likelihood of deterioration in the quality of restructured advances. (Reserve Bank of India report on trend and progress of banking in India 2009-2010)

1.5 Opportunities and Challenges

Mc Kinsey Report (2010) on Indian banking identified four challenges which has to be encountered before banks achieve greater heights. First, the market is seeing discontinuous growth driven by new products and services that include opportunities in credit cards, consumer finance and wealth management on the retail front and investment banking on the general these require new skills in sales, marketing, credit and operations. Second, banks will no longer enjoy windfall treasury and gains that the decade long secular decline in interest rates provided, this will expose weaker banks. Third, with increased interest in India, competition from foreign banks will intensify. Fourth, given the demographic shifts resulting from changes in age profile
and household income, consumers will increasingly demand enhanced institutional capabilities and service levels from banks.

1.6 Need for the Study

Today banks are operating in a highly competitive scenario; it is pertinent to note that they need to differentiate themselves from each other. They need to have employees who are passionate about their work and strive to take their organization to greater heights.

This study measures employee engagement in three types of banks. The strength and impact of organizational culture and communication on facilitating employee engagement is also measured in the scope of this study.

This study is relevant in the services sector, especially in the banking sector, which did not have any holistic work encompassing constructs of organizational culture, communication and employee engagement.

The study also provides a comparison among co-operative, nationalized and private banks in terms of organizational culture, organizational communication and different dimensions of employee engagement.

The findings and recommendations of the study are for banks in general and for co-operative, nationalized and private banks in particular. It would help banks in these three categories to work constructively towards increasing employee engagement.
1.7 Key Concepts Explained in the Study

1.7.1 Organizational Culture

Organizational culture can be defined as shared perceptions of organizational practices, the concept is similar to organizational climate, which has been typically conceived as employees’ perceptions of observable practices and procedures (Denison, 1996). It is reflected in the manifold ways in which employees perceive, think, act and behave. It forms the glue that holds the organization together and stimulates employees to commit to the organization and to perform. (Glunk, & Maslowski, 2001; Wilderom and Van den Berg and 2004).

1.7.2 Organizational Communication

Organizational communication focuses on connecting individual employees, groups and organization as a whole to facilitate realization of common interest and spontaneous cooperation. (Hatch 1964; Clampitt and Downs, 1992). Communication satisfaction implies the affective response to the fulfillment of expectations in message exchange processes and which translates into an enjoyable, fulfilling experience. (Downs & Hazen, 1977; Clampitt and Downs, 1992; Mueller and Lee, 2002).

1.7.3 Employee Engagement

Employee Engagement signifies involvement and commitment of an individual with his job. An engaged employee displays vigor, dedication and absorption.
1.8 Benefits of the Study

- This study provides a methodology for measuring employee engagement in banks.
- The study has revealed factors of autonomy, external orientation, inter-departmental cooperation, human resource orientation and improvement orientation as being important predictors in determining employee engagement.
- It has helped in identifying the impact of organizational integration, personal feedback, supervisor communication, subordinate communication, horizontal communication, media–quality, communication climate and corporate communication as being important factors for shaping employee engagement.
- The study also provides a comparison among co-operative, nationalized and private banks in terms of organizational culture, organizational communication and employee engagement.
- It has made recommendations to the three types of banks for increasing employee engagement by focusing on the organizational drivers of culture and communication.
CHAPTER II
LITERATURE REVIEW

2.1 Employee Engagement

Engagement of employees was first conceptualized by Kahn (1990) as the “harnessing of organizational members’ selves to their work roles”. Kahn recognized three antecedents of employee engagement: psychological meaningfulness — how meaningful is it for me to bring myself into this performance (measured by job enrichment, work role fit and co-worker relations); psychological safety — how safe is it to do so (measured by supervisor relations, co-worker relations and co-worker norms; and psychological availability — how available am I to do so? (measured by resources, work role security and outside activities).

Engagement is reflected when employees express themselves physically, cognitively and emotionally while executing their roles (Konard, 2006). Flow was considered to be the holistic sensation that people feel when they act in total involvement. It is that state where there is little distinction between the self and the work environment. Engagement is most closely related to the constructs of job involvement (Brown 1996) and flow (Csikzentmihalyi, 1990).

According to Bakker and Schaufeli (2008), three approaches to employee engagement exist. First, it 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 “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 (Harter, Schmidt, & Hayes, 2002), 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 organizations” (Harter et al., 2002). Secondly, employee engagement is conceived in terms of commitment and extra-role behavior, 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 organization”. Clearly, this seems like putting old commitment wine in new engagement bottles. The third approach defines engagement independently from job resources and positive organizational outcomes—such as commitment—as a positive, fulfilling, affective-motivational state of work-related well-being that is the antipode of job burnout (Maslach, Schaufeli, & Leiter, 2001). Based on this conceptualization, a brief work engagement questionnaire has been developed that consists of three interrelated dimensions: vigor, dedication, and absorption (Schaufeli, Bakker, & Salanova, 2006).

In addition, various studies have demonstrated associations of employee engagement with meaningful organizational outcomes such as in- and extra role behavior (Schaufeli, Taris, & Bakker, 2006), intention to leave and organizational commitment (Schaufeli & Bakker, 2004), financial turnover at the end of the work shift (Xanthopoulou, Bakker, Demerouti, & Schaufeli, 2007), academic performance (Schaufeli, Martinez, Marques Pinto, Salanova, & Bakker, 2002), and service quality as rated by customers (Salanova, Agut, & Piero´, 2005). Studies on employee engagement add to our understanding of positive organizational processes in organizations—also
vis-à-vis negative processes—and show the relevance of the concept for organizational outcomes.

Studies on employee engagement have been undertaken by top global research firms. The Conference Board, a prestigious non-profit business membership and research organization in USA (2006) identified key drivers as trust and integrity, nature and content of the job, career growth, co-workers/ team members and development of employee’s skills.

According to Theresa. M. Welbourne (2007), the only way to improve employee engagement across multiple organizations is to know what it looks like; the behaviors (not just attitudes) must be specified. Behaviors, to date, are the missing link in employee engagement. She has suggested a role-based performance model as an option for providing a definition of the behaviors of employee engagement. The role-based performance model helps identify the types of behaviors needed from employees to drive performance. The model defines five key roles that employees occupy at work Core job-holder role (what’s in the job description), Entrepreneur or innovator role (improving process, coming up with new ideas, participating in others’ innovations), Team member role (participating in teams, working with others in different jobs), Career role (learning, engaging in activities to improve personal skills and knowledge), Organizational member role (citizenship role or doing things that are good for the company).

Peter Cheese (2005) has focused on analysis of data collected from 2400 employees & 240 HR executives from 26 organizations through a new measurement tool – The Accenture Human Capital Development framework which revealed that organizations with most engaged employees have built a culture that fosters motivation, commitment and passion for work. Variables like recognizing & rewarding performance, establishing a learning environment,
creating knowledge sharing communities and managing the culture of change facilitate employee engagement.

Angela Sinickas (2005) focuses on how an engagement survey differs from an attitude survey by asking outcome questions about ideal employee behaviour which could be achieved more easily with engaged employees. The author has suggested that engagement surveys should include questions on the extent to which supervisors display communication behaviour and how well informed employees are better engaged.

Kieron Shaw (2005) points out that although many organizations have an engagement “vision,” few have broken this down into clear goals, objectives and behaviours. They often fail to communicate clearly what the few key outcomes of an engagement program should be. An engagement strategy-setting process should include defining engagement, clarifying goals, qualifying outcomes, determining drivers, measuring and acting.

Hewitt Associates (Ray Baumruk, 2006) has worked with 2000 companies representing four million employees and have identified key drivers of engagement – employee relations, total rewards, career opportunities, quality of work life, HR practices & actual work itself. They have focused on 5 steps which managers can take up to facilitate employee engagement – Coaching & Career Support, Recognition, Accountability, Involvement and Communication.

Woodruffle (2006) has suggested ten ways to engage employees. He has given special emphasis on non-financial motivators like advancement, autonomy, civilized treatment, employer commitment, environment, exposure to senior people, awarding of due praise, availability of support, feeling of being challenged, feeling of being trusted, feeling of working for a good and reliable organization, feeling of working on useful assignments and respecting work/life balance.
Five steps to employee engagement (Pasquale Mazznca- Hamilton Davenport Partners July, 2007) can include clearing expectations regarding the job, career advancing/learning and development opportunities, regular feedback, perception of values, missions and vision and quality of working relations. According to Upasana Agarwal et. al. (2007), employee-employer relationships influence the economic as well as the behavioural outcomes of an organization. HR practices are a part of high performing organizations but organizations with similar HR practices & employee skills vary in their outcomes because of employee engagement. The authors have mentioned that antecedents of employee engagement are in the nascent stage and have not been identified fully. Lack of engagement is endemic and is causing large and small organizations all over the world to incur excess costs, under perform on critical tasks, and create widespread customer dissatisfaction (Hubert K Rampersad, 2008).

According to Grace M. Endres et. al. (2008), recognizing the differences between human productivity improvement (HPI) and employee engagement, and encourages researchers to more completely define such terms. They suggest that less time has been spent defining and validating the construct of employee engagement causing lack of construct definition and interpretation of the construct in different ways. They have revealed that there is often a fall-off in levels of employee engagement when staff have spent two years with one employer.

According to B Medlin et. al. (2008), there is a relationship between goal-setting, optimism, and engagement and the impact on individual employee performance. Results indicate that organizations that feature formal, structured goal-setting processes leads to higher levels of employee engagement. Higher levels of employee engagement lead to increased employee optimism. Strong workplace optimism in turn leads to improved employee performance.
2.2 Organizational Culture

Pettigrew (1990) associates culture with the forces of 'coherence and consistency' in the organization. Culture is seen as a system of informal guidelines (Deal & Kennedy, 1982) and as a form of social agreement that helps people understand how life in the organization, including reward and punishment, works (Wilkins, 1983). The impact of culture is reflected in several key aspects of organizational functioning, like problem solving styles (Schwartz & Davis, 1981), as well as organizational structure preferences, control systems, reward systems, and human resource practices (Pettigrew, 1990). Other noted effects of organizational culture are: influencing perceptions about the distribution and legitimacy of power or authority (Pettigrew, 1979, 1990), and applying a form of social control that makes people conform to group norms (O'Reilly, 1995).

Edgar Schein (2002), one of the pioneering researchers on organizational culture defines it as a pattern of shared basic assumptions that was learned by a group as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems. According to him there are three levels of organizational culture – Artifacts – visible organizational structures and processes, espoused beliefs and Values – strategies, goals, philosophies and Underlying assumptions – unconscious taken for granted beliefs, perceptions, thoughts and feelings.

Deeper dimensions around which shared Basic Underlying Assumptions Form have been identified by Schein as follows:- the nature of Reality and Truth, the nature of Time, the Nature
According to Van den Berg and Wilderom (2004), organizational culture forms the glue that holds the organization together and stimulates employees to commit to the organization and to perform. This definition is based on experiences with ten studies in which organizational cultures were measured quantitatively (Wilderom, Van den Berg, Glunk, & Maslowski, 2001). Organizational culture is viewed as shared perceptions of organizational work practices within organizational units that may differ from other organizational units. Organizational work practices are the central part of this definition. The definition is a shortened version of Kostova’s (1999) definition: “particular ways of conducting organizational functions that have evolved over time . . . [These] practices reflect the shared knowledge and competence of the organization.”

Many researchers such as Hibbard (1998) and White (1998) have focused on values in defining organizational culture. Values are typically not directly visible for employees, but they assume that organizational values are expressed, in part, in organizational practices. Therefore, they can be derived from the existing practices within an organization, department, or work unit as mentioned in their past research (Wilderom & Van den Berg, 1999).

Academic evidence of a few studies like Denison (1990), Calori and Sarnin (1991), Gordon and DiTomaso (1992), and Kotter and Heskett (1992) report a relationship between a strong organizational culture and organizational performance. Van den Berg and Wilderom (2004) culture focus is on perceptions of organizational work practices, rather than on their objective occurrence. That is, through the eyes of the members of a working group, one assesses the patterns of regular work behaviors. By defining organizational culture as shared perceptions of organizational practices, the concept is similar to organizational climate, which has been
typically conceived as employees’ perceptions of observable practices and procedures (Denison, 1996). However, an important distinguishing feature is that climate relates to the evaluation of a current state of affairs and culture relates to the registration of actual work behaviors (Denison, 1996).

Van der Post, et al. (1997) started with 114 dimensions from previous studies and consolidated these into a fifteen dimensional framework through peer panel consultation and subsequent empirical testing. Ashkanasy, Broadfoot and Falkus (2000) developed a ten dimensional Organizational Culture Profile (OCP) instrument from eighteen previous surveys. Delobbe, Haccoun and Vandenberghhe (2002) started with 266 items based on analyzing the dimensions of several existing frameworks and, through empirical testing and factor analysis ended with a ninefactor framework. Xenikou and Fumham (1996) combined the items of four organizational culture questionnaires in random sequence and, through empirical testing and factor analysis extracted five dimensions. Detert, Schroeder and Mauriel (2000) used a peer-assisted process to review the dimensions found in previous studies in order to conceptually propose a set of eight dimensions of organizational culture considered to be conducive to Total Quality Management (TQM). Jaworski and Kohli (1993) defined a set of dimensions to study the top management beliefs and structural arrangements that could be seen as organizational antecedents to an effective marketing orientation.

J M Morrison, et. al., (2006) have identified ten most frequently used cultural dimensions or themes after surveying selected literature sources as the degree of flexibility, change tolerance, risk tolerance, innovativeness, cooperation, integration, teamwork between departments, emphasis on task, outcomes, goals, high performance, formalization, structure, control, bureaucracy, the orientation of styles of leadership and people management, preferences about
where decisions and power should be concentrated, the degree of emphasis on the customer, market and the external environment, organizational direction and focus, the importance of people competency and training, the degree of people orientation, communication and openness, the approach to how staff is rewarded, the degree to which culture is actively managed, the basis of truth and rationality in the organization, the degree to which members identify with the organization, nature of time and time horizon in the organization and the approach to integrating new staff.

On the basis of a literature review and several empirical studies (Wilderom et al., 2001), proposed the following set of distinct dimensions: (1) autonomy, (2) external orientation, (3) interdepartmental coordination, (4) human resource orientation, and (5) improvement orientation. The first dimension, autonomy, is task related. It pertains to the degree to which employees have decision latitude at the job level. The second dimension, external orientation, is included because all organizational units operate in an external environment. The open-systems theory and many publications on culture emphasize that a group’s external orientation is very much a part of its internal functioning (Hofstede, 2001). Third, they include perceptions of interdepartmental coordination since horizontal differentiation may raise barriers to productive inter-group communication. Fourth, in many articles, one finds human resource content as an explicit part of the organizational culture construct (for example, Gordon, 1990; Gordon & DiTomaso, 1992; Marcoulides & Heck, 1993; Quinn, 1988). Finally, Rousseau (1990) argued that the degree of improvement orientation among personnel reflects an organization’s ambition level, and that at least a positive inclination towards organizational improvement is required. This fifth dimension was chosen in order to include the degree of proactivity that is intended to achieve ever better organizational results. In order to measure these dimensions quantitatively, they constructed a
questionnaire and carried out factor analyses at individual and organizational levels in various organizational settings. The largest study was performed within one of the biggest financial institutions in the Netherlands with a sample of 1,509 respondents from 58 local banking firms. Factor analyses on organizational practices items yielded at the organizational and the individual level the five intended dimensions (Wilderom & Van den Berg, 1999). Organizational Culture integrates the individual and organization as a system by facilitating congruence of interests of both employees and organization- this reflected in the various employee engagement initiatives of several IT organizations. (Sarangi & Srivastava, 2009). Thus, these results supported the dimensions. However, in factor analyses on corresponding value items the five dimensions could not be found. The findings confirm that organizational culture can better be measured with organizational practices.

2.3 Organizational Communication

A.S Hatch (1964) emphasizes that organizational communication should focus on individual communication to emphasize individuality and differences and on group communication to emphasize common interest and spontaneous cooperation. Mathieu and Zadiac’s meta-analysis (1990) shows communication to have a fairly strong link on commitment. According to De Ridder (2004), organizational communication is instrumental in facilitating supportive employees. Organizations are first and foremost communicating entities (Clegg, Kornberger and Pitsis 2005). Andy Parsley (2006) has quoted a major study by Watson Wyatt: Connecting Organizational Communication to Financial Performance found that ‘a significant improvement in communication effectiveness is associated with a 29.5 per cent increase in market value and
that companies with the highest levels of effective communication experienced a 26 per cent total return to shareholders from 1998 to 2002, compared to a 15 per cent return experienced by firms that communicate least effectively. Effective communications create engaged employees, creating loyal customers who in turn create bigger profits. The study conducted by Watson Wyatt (2007-08) has been quoted by Bill Trahant (2008) shows a strong correlation between effective employee communication and superior organizational performance. Organizations with the highest scores in effective employee communication (and the strongest organizational results) do many things differently from organizations with lower communication effectiveness scores.

The level of motivation of most people could be greatly increased through knowing more about their jobs, departments, companies, working conditions, and their individual and group relationship to others in their departments, companies, and in other comparable companies (A S Hatch, 1964). In a study that explores the management of the psychological contract, Guest and Conway (2002) report that their results justify stressing the importance of communication that is directly related to daily work, the accuracy of instructions or the quality of feedback about an employee’s work. The management can stimulate employee commitment to the organization by increasing the quality of task-related communications. Providing good-quality task-related communications involves making sure the right information gets to the right place at the right time (De Ridder, 2004). Five steps to employee engagement (Pasquale Mazznca- Hamilton Davenport Partners July, 2007) can include clearing expectations regarding the job, career advancing/ learning and development opportunities and regular feedback.

There is some evidence that information provided by the management on both the running and the policy of a business affects commitment (DeCotiis and Summers, 1987). A supportive
attitude can also be achieved through employee trust in the management. In order to attain this, it is essential that the trustee exhibits openness in his/her communications regarding all matters and organizational issues. These issues are always related to goals, organizational problems and organizational policy. Information about these topics is 'non-task-related' information. A good deal of internal media can be used to distribute this information. These media and messages can certainly be designed to foster employee enthusiasm about the organization (De Ridder, 2004). De la Rey van der Waldt (2004) opined that management’s use of communication aims to achieve desired results in areas of developing a shared vision of the company within the organization, establishing trust in the organizational leadership, initiating and managing the change process, and empowering and motivating employees. Andy Parsley (2006) spells that effective organizational leadership is simple, where if leaders have visions of where they want to get to, and clearly and persuasively communicate that vision to employees, they succeed in achieving great results. Five steps to employee engagement (Pasquale Mazznca- Hamiton Davenport Partners July, 2007) can include clearing expectations regarding the job, career advancing/ learning and development opportunities, regular feedback, perception of values, missions and vision and quality of working relations. Some of the steps to employee engagement (Pasquale Mazznca- Hamiton Davenport Partners July, 2007) include perception of values, missions and vision and quality of working relations. A study on top performing organizations undertaken by Watson Wyatt (2007-08), quoted by Bill Trahent (2008), found that when managers communicate effectively, employees receive clear, concise messages about corporate goals, performance, and results. Such communication reinforces priorities and direction from senior management and increases “line of sight. “Employees with a clear line of sight understand how their actions roll up to influence company goals and the bottom line.
Early information on reasons for change, and the ways in which it will or will not affect the
group and individuals within the group helps in motivating employees (A S Hatch, 1964). More
specifically an awareness of communications is integral to understanding change management.
Barrett (2002). He has suggested that ‘without effective employee communication, change is
impossible and change management fails.’ Mark Hughes (2006) has studied the role of
communication in helping employees cope up and cause change. Trahant (2008) asserted that if
people are involved in change and their input to the process is valued they will readily engage
with it. Highly effective companies are more diligent and successful in engaging the
communication function in their organizations to manage and plan for change. Building a strong
pool of informed managers to drive change pays big benefits.

Postmeset al's study (2001) reveals primarily that direct communication between the
management and employees is strongly related to commitment. Violetta Bottazzo (2005) stated
that organized preparation and execution of a special program, which is largely based on the
internal communication in particular, is necessary to achieve the satisfaction of employees. The
treatment of employees as the property and not as the expense is the starting point of a new
paradigm of internal communication, which exceeds former one-way informing of employees: it
is transferred from simple informing to one-way informing and then more and more also to two-
way communication, from training and education to motivation and eventually to the
participation of employees in the management with the sharing of responsibilities. Absence of
bottom-up channels of communication was often a hindrance to organizational effectiveness
(Mark Hughes, 2007). Angela Sinckas (2005) has also mentioned about the need of ensuring the
existence of appropriate communication channels in organizations to facilitate employee
engagement. Woodruffe (2006) has mentioned that exposure to senior people is one of the non-financial motivators of employee engagement.

The degree to which employees are motivated to deliver their maximum performance is very heavily influenced by the degree to which their informational needs are satisfied and by the manner in which the process of communication is managed by the leaders and supervisors (A S Hatch, 1964). According to Violetta Bottazzo (2005), intranet helps in improve information flows (who, what, when, to whom, how, with what), to put two-way forms of communication into effect (reverse loop), to put team work into effect (composition, structure, rules, remuneration), to raise the level of participation of employees in the management in accordance with organization’s needs. Angela Sinckas (2005) has mentioned that communication channels are linked to satisfaction levels of employees. Andy Parsley (2006) has mentioned that if desirable communication channels are absent or inappropriate, employee engagement suffers. Ray Baumruk (2006) has mentioned that managers can facilitate employee engagement by displaying appropriate levels of involvement and communication. Barriers to effective organizational communication and engagement identified by Andy Parsley (2006) are managers who do not see communication as part of their day job, they have not developed their communication skills. According to Trahant (2008), training managers to be effective communicators is a critical component in aligning employees and transforming organizations. Communication acts as a tool for enhancing intra-group cooperation, which helps it to tide over economic turbulence and environmental uncertainties. (Sarangi & Srivastava, 2010)

The dimensions of organizational communication chosen for this research would include task related communication pertaining to goals and performance made to employees, non-task related
communication pertaining to vision, values, strategy of the organization, change communication pertaining to early information on reasons for change and its impact on employees, communication channels used by organizations and communication skills of managers affecting employee engagement.

2.4 Gap Analysis

Extensive literature review suggested that not much emphasis has been given on exhaustively identifying the antecedents and predictors of Employee Engagement. Since engaging employees is a pertinent issue, focused efforts need to be undertaken by business organizations in that direction. Dimensions and characteristics of engaged employees were not rightly identified and studied. Literature review also revealed absence of a holistic employee engagement model. Another gap identified was the absence of such a study in the banking sector in India and worldwide. Hence it was decided to address these gaps in the scope of this study. The study has explored and established that organizational culture and communication act as drivers and play an instrumental role in shaping employee attitudes, feelings and behavior.

Thus literature review brought out the importance of developing employee engagement model to give organizations a sustainable competitive edge. Literature revealed the absence of an employee engagement framework through organizational drivers like culture and communication. The absence of a methodology which measures the same also surfaced through literature review. These research gaps have been identified and addressed through this study.
3.1 The Theoretical Framework of the Present Study

This chapter discusses the theoretical framework of the study. The framework attempts to capture the relationship between three constructs of Employee Engagement, Organizational Culture and Communication by discussing the various units of theory. (Dublin, 1969; Pawar, 2009). Among the many antecedents of Employee Engagement, Organizational Culture and Communication are considered as most important. They have been identified as predictors of Employee Engagement, which is the central construct and comprises of Vigor, Dedication and Absorption (Schaufelli & Bakker, 2002).

3.2 Conceptual Model Framework

Extensive literature review, followed by addressing research gaps led to the development of conceptual model framework. The tenets of the study like Organizational Culture, Organizational Communication and Employee Engagement cannot be measured directly and hence has to be through observed variables. These concepts are termed as constructs (Kaplan, 1964). In literature the terms concepts and constructs are used interchangeably, without suggesting any substantive distinction (Pawar, 2009). The conceptual model is depicted below:
3.3.1 Organizational Culture

Organizational culture was measured by the scale developed Wilderom and Van den Berg (2004). It has been modified and adapted by the researcher in the Indian context. It is operationalized through variables like autonomy, external orientation, inter-departmental cooperation, human resource orientation and improvement orientation.
3.3.2 Organizational Communication

Organizational Communication was measured through the scale developed by Clampitt and Downs. (1977, 1992) It was modified and adapted in the Indian context. It is operationalized through variables like personal feedback, organizational integration, supervisory communication, horizontal and informal communication, subordinate communication, media quality and corporate information.

3.3.3 Employee Engagement

Employee Engagement is defined as the level of commitment, involvement and passion as a `positive, fulfilling work related state of mind that is characterized by vigor, dedication and absorption' Schaufeli, Salanova, Gonzalez-Roma and Bakker (2002). The scale of these researchers was modified and adapted in the Indian context in the current study.

The model used in the current study offers a unique impact of organizational drivers like Organizational communication and culture which can lead to employee engagement. This model was tested in the Indian banks.
CHAPTER IV

OBJECTIVES OF THE STUDY

4.1 Objectives of the Study

The study aims at making meaningful inquiry and investigation into the effects and impact of organizational culture and communication in predicting employee engagement in banks.

1. To measure employee engagement in banks. This is seen as a pressing need in the banking industry where there is immense competition and employees need to give stellar performances to give their organizations a competitive edge over others.

2. To identify the role and impact of organizational culture in driving employee engagement. Engaged employees are an asset to the organization. Acknowledging organizational culture and its factors is indispensible for the organization.

3. To identify the role and impact of organizational communication in driving employee engagement. Organizational communication helps to align employee expectations with those of the organization. It helps in connecting employees with the organizational fabric and harnessing their engagement levels.

4. To understand whether employee engagement is different across the three types of banks. The banking industry has co-operative, nationalized and private players. The employee engagement levels vary across the three types of banks due to existence of different organizational drivers.

5. To understand whether demographic profile of bank employees leads to differences in employee engagement. Variables like age, gender, organizational tenure etc also have an impact on influencing employee engagement levels. Identifying these differences
would help in adopting more customized measures to engage different sections of employees in banks.
CHAPTER V

HYPOTHESES

5.1 Hypotheses of the Study

The study had seven broad hypotheses which proposed the impact of Organizational Culture and Communication on employee engagement in the banking sector. The null Hypothesis $H_{10}$ and $H_{20}$ were based on the theoretical construct. Null Hypotheses $H_{30}$ was based on the relationship between the category of bank and employee engagement. Null hypotheses $H_{40}$, $H_{50}$, $H_{60}$ and $H_{70}$ were based on influence of different demographic aspects of employees and their relationship with employee engagement.

5.2 Testing of Hypothesis H1

The hypothesis H1 proposes the influence of organizational culture on employee engagement. Employee engagement comprises of three dimensions of vigor, dedication and absorption. The impact of organizational cultural factors including autonomy, external orientation, inter-departmental co-operation, human resource orientation and improvement orientation on each of the dimensions of employee engagement in the three types of banks i.e. co-operative, nationalized and private sector banks have been hypothesized in H1. The sub-hypothesis H1a to H1c have been listed below:

Hypothesis 10: Organizational Culture has no significant impact in predicting employee engagement comprising of vigor, dedication and absorption of employees.

Hypothesis 1: Organizational Culture has significant impact in predicting employee engagement comprising of vigor, dedication and absorption of employees.
H1a0: Organizational Culture does not have significant impact on predicting vigor of employees and influencing employee engagement.

H1a: Organizational Culture has significant impact on predicting vigor of employees and influencing employee engagement

H1 b0: Organizational Culture does not have significant impact on predicting dedication of employees and influencing employee engagement.

H1 b: Organizational Culture has significant impact on predicting dedication of employees and influencing employee engagement.

H1 c0: Organizational Culture does not have significant impact on predicting absorption of employees and influencing employee engagement.

H1 c: Organizational Culture has significant impact on predicting absorption of employees and influencing employee engagement.

5.3 Testing of Hypothesis H2
Hypothesis H2 proposes the influence of organizational communication on employee engagement. Employee engagement comprises of three dimensions of vigor, dedication and absorption. The impact of organizational communication factors including organizational integration, supervisory communication, personal feedback, corporate information, communication climate, horizontal and informal communication, media quality and sub-ordinate communication on each of the dimensions of employee engagement in the three types of banks i.e. co-operative, nationalized and private sector banks have been hypothesized in H2. The sub-hypothesis H2a to H2c has been listed below:
H2a: Organizational Communication has no significant impact in predicting vigor of employees and influencing employee engagement.

H2a: Organizational Communication has significant impact in predicting vigor of employees and influencing employee engagement.

H2b: Organizational Communication has no significant impact in predicting dedication of employees and influencing employee engagement.

H2b: Organizational Communication has significant impact in predicting dedication of employees and influencing employee engagement.

H2c: Organizational Communication has no significant impact in predicting absorption of employee and influencing employee engagement.

H2c: Organizational Communication has significant impact in predicting absorption of employees and influencing employee engagement.

5.4 Testing of Hypothesis H3

Hypothesis H3 proposes the significant differences in employee engagement levels among the three categories of banks i.e. co-operative, nationalized and private sector banks. Through this
hypothesis the study investigates whether employee engagement levels are similar or different in the three categories of banks.

\( H_{30} \): There is no significant difference in Employees Engagement levels across different category of banks.

\( H_3 \): There is significant difference in Employees Engagement levels across different category of banks.

5.5 Testing of Hypothesis H4

Hypothesis H4 proposes the significant differences in employee engagement levels among employees of different age categories. Through this hypothesis the study investigates whether employee engagement levels are similar or different in the different age categories of employees in banks.

\( H_{40} \): There is no significant difference across different age categories in predicting the overall employee engagement levels of bank employees.

\( H_4 \): There is significant difference across different age categories in predicting the overall employee engagement levels of bank employees.

5.6 Testing of Hypothesis H5

Hypothesis H5 proposes the significant differences in employee engagement levels among employees of different educational qualification categories. Through this hypothesis the study investigates whether employee engagement levels are similar or different in the different educational qualification categories of employees in banks.
H5₀ : There is no significant difference across different educational qualification categories of employees in predicting the overall employee engagement levels of bank employees.

H5 : There is significant difference across different educational qualification categories in predicting the overall employee engagement levels of bank employees.

5.7 Testing of Hypothesis H6

Hypothesis H6 proposes the significant differences in employee engagement levels among employees with different work experiences in the current organization of employment. Through this hypothesis the study investigates whether employee engagement levels are similar or different among employees with different organizational tenures in banks.

H6₀ : There is no significant difference across employees with different years of work experience in the current organization in predicting the overall employee engagement level of bank employees.

H6 : There is significant difference across employees with different years of work experience in the current organization in predicting the overall employee engagement level of bank employees

5.8 Testing of Hypothesis H7

Hypothesis H7 proposes the significant differences in employee engagement levels among employees of different gender. Through this hypothesis the study investigates whether employee engagement levels are similar or different among employees of different gender in banks.
H7_0: There is no significant difference between gender in predicting the overall employee engagement level of bank employees.

H7: There is significant difference between gender in predicting the overall employee engagement level of bank employees.
CHAPTER VI

RESEARCH METHODOLOGY

6.1 Research Design

Co-operative, Nationalized and Private sector were studied to understand the impact of organizational culture and communication on employee engagement. This study undertook the design of descriptive research. Once the theoretical framework was developed, the data collection procedure was planned and executed. For the current study, employees drawn from these three types of banks were studied.

6.2 Preliminary Exploratory Research

An exploratory pilot study for a sample size of hundred respondents drawn from the banking sector was undertaken. This was used to test the reliability and validity of the scales used in the study. Some items with lower factor loadings and cross loadings were deleted after pre-testing. The pre-testing also asserted that there were no issues on comprehensibility of the statements used in the questionnaire. It helped in estimating that 10-15 minutes time was taken by the respondents to answer the same.
6.3 Questionnaire and Scale Validation

Dearth of literature on employee engagement in banking sector, called for the need to have in-depth interviews with few senior bank executives at the outset to understand their perspective on employee engagement, organizational culture and communication.

As suggested by Churchill (1979), Cronbach Alpha and exploratory factor analysis was undertaken to check the reliability and validity of the data. The reliability and validity tests confirmed and were similar to those in literature.

The scales for measuring the three constructs of organizational culture, organizational communication and employee engagement were finally adapted and drawn for the study. The dimensions and variables used in the three scales have been discussed in the previous chapter on “Theoretical Framework”

6.4 Final Questionnaire Design

The questionnaire had three different sections, along with a preface. The preface addressed the respondent and provided a brief on the study and scale used by the researcher.

The first section was aimed at collecting demographic data of the respondents.

The second section of the questionnaire consisted of statements aimed at ascertaining and measuring organizational culture and organizational communication. A 5 point Likert scale was used. Statements were measured on a scale of “strongly agree” to “strongly disagree” where the former had a score of 5 and the latter, a score of 1.
The third section of the questionnaire was aimed at measuring employee engagement. A 5 point Likert scale was used. Statements were measured on a scale of “always” to “never” where the former had a score of 5 and the latter, a score of 1.

6.5 Sampling Plan for Data Collection

As the scope of the study needed respondents drawn from co-operative, nationalized and private sector banks, bank employees from these sectors were selected. In the co-operative sector bank, employees from Abhyudaya Bank, Saraswat Bank, Maharashtra Co-operative Bank amongst others were chosen.

Among the nationalized banks, employees from State Bank of India, Bank of India, Andhra Bank and Oriental Bank of Commerce amongst others were chosen.

In the private banks category, employees from ICICI Bank, HDFC Bank, Kotak Mahindra Bank, Axis Bank amongst others were chosen.

The Kaiser – Meyer Olkin test was used for measuring sampling adequacy (KMO). The KMO statistic varies between 0 and 1. A value close to 1 indicates that patterns of correlations are relatively compact and so factor analysis should yield distinct and reliable factors.

Table 1: Kaiser Meyer Olkin (KMO) Test for Sample Adequacy

| Kaiser-Meyer-Olkin Measure of Sampling Adequacy | 0.943 |
The KMO statistic for sample is 0.943, is considered to be ‘good’ and adequate and one can construe that it is appropriate to conduct factor analysis on the sample, which will yield distinct and reliable factors.

Hence, a total of 600 questionnaires were sent out to bank employees in the three categories. Data of 544 responses were collected. The response rate was 90.6%. The sample size was considered robust by Nunnally (1978) as cited by Hinkin (1985). The sample consisted of employees from all age groups. They were drawn from different educational backgrounds i.e. graduates, post-graduates etc. The respondents were drawn from junior and middle management levels.

Table 2: Bank Category – Wise Distribution of Respondents

<table>
<thead>
<tr>
<th>Bank Category</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Co-operative banks</td>
<td>102</td>
<td>18.5</td>
</tr>
<tr>
<td>Nationalized banks</td>
<td>195</td>
<td>35.8</td>
</tr>
<tr>
<td>Private banks</td>
<td>247</td>
<td>45.4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>544</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

6.6 Statistical Analysis Techniques

Suitable statistical analysis tools were used to analyse the data. Appropriate univariate, bivariate and multivariate analyses were used depending on the nature of variables and objectives of the study.
6.7 Ethical Consideration

Ethical consideration implies involving issues of harm, consent, deception, privacy and the confidentiality of data were recognized. While collecting data from the respondents, they were briefed on the academic objective of the study. No respondent was forced to answer questions which he was not comfortable answering. In keeping with the ethical guidelines, the participants’ individual names, addresses and specific name of the bank employed were not used in the study.
CHAPTER VII
DATA ANALYSIS

7.1 Introduction

In the chapter on Theoretical Framework, it was concluded that the study dealt with respondents drawn from co-operative, nationalized and private banks. Responses from these employees were solicited to test the theoretical model based on Impact of Organizational Culture and Communication on Employee Engagement.

This chapter tests the reliability and validity of the scales used by administering factor analyses and Cronbach Alpha tests. This is followed by the testing of hypotheses by applying correlation, regression and ANOVA tests. It also comprises of descriptive statistics reflecting the characteristics of the sample. Standard Statistical Package for Social Sciences version 12.0 software was used for analyzing the data. SPSS 12.0 is useful versatile software that provides descriptive analysis for each variable on the scale and inferential statistics for inter-item correlations and co-variances, reliability estimates amongst others.

7.2 Summary of Results

The testing of hypotheses using bivariate and multivariate techniques have been analyzed in this chapter. Table 3 provides a summary of the various tests used in the study for testing of hypotheses.
The Summary of the Hypotheses Tests

<table>
<thead>
<tr>
<th>Serial No</th>
<th>Null Hypotheses</th>
<th>Test</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1₀</td>
<td><strong>Organizational Culture has no significant impact in predicting employee engagement comprising of vigor, dedication and absorption of employees</strong></td>
<td>Regression</td>
<td>Null hypothesis rejected</td>
</tr>
<tr>
<td></td>
<td></td>
<td>All banks -0.234, Co-op -0.404, Nat -0.217, Priv -0.355</td>
<td></td>
</tr>
<tr>
<td>H1a₀</td>
<td><strong>Organizational Culture has no significant impact in predicting employee engagement comprising of vigor of employees</strong></td>
<td>Correlation</td>
<td>Null hypothesis rejected</td>
</tr>
<tr>
<td></td>
<td></td>
<td>All banks -0.449, Co-op -0.825, Nat -0.414, Priv -0.486</td>
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</tr>
<tr>
<td>H1b₀</td>
<td><strong>Organizational Culture has no significant impact in predicting employee engagement comprising of dedication of employees</strong></td>
<td>Correlation</td>
<td>Null hypothesis rejected</td>
</tr>
<tr>
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<td>All banks -0.445, Co-op -0.582, Nat -0.420, Priv -0.481</td>
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<tr>
<td>H1c₀</td>
<td><strong>Organizational Culture has no significant impact in predicting employee engagement comprising of absorption of employees</strong></td>
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</tr>
<tr>
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<td></td>
<td>All banks -0.379, Co-op -0.782, Nat -0.294, Priv -0.469</td>
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<td>H₂₀</td>
<td><strong>Organizational Communication has no significant impact in predicting employee engagement comprising of vigor, dedication and absorption of employees</strong></td>
<td>Regression</td>
<td>Null hypothesis rejected</td>
</tr>
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<td>All bank -0.434, Co-op -0.818, Nat -0.452, Priv -0.292</td>
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46
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<td>Organizational Communication has no significant impact in predicting employee engagement comprising of vigor of employees</td>
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<td>All bank -0.502</td>
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<td>Co-op-0.429</td>
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<td>H50</td>
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CHAPTER VIII

FINDINGS OF THE RESEARCH

8.1 Introduction
This chapter unfolds the findings of the research. It offers possible explanations, connections to past studies and discusses findings of the present study. The impact of organizational culture and communication on employee engagement has been operationalized through this study has been discussed. Impact of different demographic variables of employees on determining employee engagement levels has been captured. Comparison of co-operative, nationalized and private banks for organizational culture, communication and employee engagement has been undertaken.

8.2. Comparison of Co-operative, Nationalized and Private Banks

➢ Autonomy, External Orientation, interdepartmental Cooperation, Human Resource Orientation and Improvement orientation have been found to define the organizational culture in all three types of banks.

➢ Among all the dimensions of Organizational Culture, External Orientation and Interdepartmental Co-operation have been found to be more significant predictors of Organizational Culture in all the three types of banks and strongest in the co-operative banks.
Organizational Culture has significant positive correlation with vigor in all three types of banks. However the correlation is *strongest in case of co-operative banks* as compared to nationalized and private banks.

The results of the study suggest that though organizational culture has a significant impact in predicting dedication of employees and employee engagement, there is not much significant difference among the three types of banks.

Organizational Culture has been found to have significant impact in predicting absorption of employees in banks. The correlation is strikingly *higher in the co-operative bank* as compared to the nationalized and private banks.

Dimensions like Organizational Integration, Supervisory Communication, personal feedback, corporate information, communication climate, co-worker communication, media quality and subordinate communication have been found to affect organizational communication- satisfaction of employees. Among all the dimensions of organizational communication, supervisory communication, corporate information, co-worker information and media quality have been found to be more significant predictors of organizational communication in all three types of banks. These dimensions have emerged to be the *strongest in co-operative banks*.

The impact of organizational communication on determining vigor of employees was not very different among the co-operative, nationalized and private banks.

The results reflected that there is not much disparity among the banks with regard to the relationship between organizational communication and employee engagement.
➢ The co-relation between organizational communication and absorption of employees is highest in co-operative banks.

➢ The regression models developed in the study clearly indicate that Organizational Culture and Communication are important predictors in all three types of banks, but their impact is strongest in the co-operative bank.

➢ The study revealed that employee engagement is highest among the co-operative banks, followed by nationalized and private banks.

### 8.3 Employee Engagement and Different Age Categories

The study established that there is significant difference across different age categories of employees in predicting the overall engagement levels of bank employees. The study indicated that employee engagement levels are highest among those in the 50-59 age groups.

### 8.4 Employee Engagement and Different Educational Qualification Categories

Different educational qualification categories like bachelor’s degree, master’s degree and doctorate degree of employees do not play a significant role in predicting overall employee engagement levels of bank employees. This can be attributed to many bank employees starting their careers soon after graduation and moving up in the organizational hierarchy. Even some take up careers in banking after completion of their master’s degree and there are few with doctorate degrees. But educational degrees of employees do not essentially play a role in predicting employee engagement.
8.5 Employee Engagement and Different Years of Organizational Experience

Employees in the 0-5 years of work experience have higher levels of employee engagement compared to employees with more work experience. The banking sector in India today has more progressive engagement plans for different categories of employees. These have been specially designed keeping the target employees and their needs in perspective.

8.6 Employee Engagement and Gender

The gender of employees does not significantly contribute in predicting engagement levels of employees.
CHAPTER IX

CONCLUSIONS AND RECOMMENDATIONS

9.1 Conclusions

1. The theoretical framework has proposed relationship between employee engagement, Organizational culture and organizational communication

2. An employee who perceives the organizational culture to be healthy and has high organizational communication –satisfaction is more likely to be engaged. Therefore, while facilitating employee engagement, organizations should focus on building and strengthening organizational culture and communication

3. Banks should ascertain engagement levels of their employees in order to identify gaps and take pertinent measures to bridge gaps.

4. The research revealed that Organizational culture comprises of factors like autonomy, interdepartmental cooperation, external orientation, human resource orientation and improvement orientation, of which External orientation and interdepartmental cooperation are more significant predictors of employee engagement.

5. The study revealed that factors as organizational integration, supervisory communication, personal feedback, subordinate communication, corporate information, communication climate, co-worker communication and media quality are important in defining organizational communication and predicting employee engagement. Among all the dimensions of organizational communication, supervisory communication, corporate information, co-worker information and media quality have been found to be more significant predictors of
organizational communication in all three types of banks. These dimensions have emerged to be the strongest in co-operative banks.

6. There are differences in employee engagement in co-operative, nationalized and private banks.

7. The study established that employee engagement levels differ across various age categories among bank employees.

8. Employee engagement levels do not differ across different demographic variables such as gender, educational backgrounds and organizational tenure.

9.2 Managerial Implications and Recommendations

1. The research is relevant to all business organizations specially banking industry as it provides insights and methodology for measuring organizational culture, organizational communication and employee engagement.

2. Organizational Culture and Communication have been identified as important determiners and predictors of employee engagement.

3. The study has identified autonomy, external orientation, inter-departmental co-operation, human resource orientation and improvement orientation as being critical constituents of organizational culture which play a major role in shaping employee engagement.
4. The study has contributed in identifying Organizational Integration, Supervisory Communication, personal feedback, corporate information, communication climate, co-worker communication, media quality and subordinate communication as critical drivers of organizational communication-satisfaction of employees, which also increase employee engagement.

5. This research has shown that employee engagement can be ascertained by three important variables of vigor, dedication and absorption.

6. The study revealed that employee engagement is highest among the co-operative banks, followed by nationalized and private banks.

7. The Nationalized and Private Banks have to focus on giving more autonomy to their employees, they can endeavour towards enhancing interdepartmental cooperation and even focus on sustained and innovative ways to develop employees for building a healthy organizational culture. This in turn will lead to increased employee engagement.

8. Nationalized Banks may improve on giving personal feedback to employees about their performance, upward and downward communication can be strengthened and even communication climate can be made more conducive for employees to voice and get engaged.

9. Private Banks may improvise on communication about organizational perspective like providing more pertinent information on notifications about changes, organization’s financial standing and overall policies and goals to its employees to increase employee engagement. They may strive to improve the communication climate by motivating employees to meet organizational goals and identifying with the organization.

9.3 Limitations of the Study

1. The study does not include foreign banks as their organizational policies and orientation have been found to be different from banks of Indian origin.
2. The sampling method used in the study is convenience sampling. Given that a convenience sample is not considered an effective method of representation of the population, the results may be interpreted cautiously, especially when generalized.

3. The method of data collection was survey method using a questionnaire. Researchers have limitations with this type of data collection, due to low response rate, complex and confusing questions and surveys that might be too long (Cooper and Schindler, 2003)

4. The number of respondents though drawn from the managerial cadre is varied in terms of age groups, gender, income levels, occupation, education etc. This may lead to differences in perception on various dimensions.

9.4 Future Research Potential

1. The scope of the study can be further increased and enriched to include more variables under the theoretical framework in future studies.

2. Multiple measurement methods for justifiability of the theoretical model can include other methods like focus group interviews, nominal group technique etc.

3. The sample can be bigger and broad based to increase the representativeness of the study.

4. The study can also be done in different locations of banks like head office, branch office etc to ascertain interplay of different factors and their contribution on employee engagement.

5. Future studies and researches should include managers drawn from various managerial levels like- junior, middle and senior management levels

6. The scope of the study can be further broadened to increase various tenets of employee engagement like job-engagement and organizational engagement.
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