




# Exploring the Factors of Employee Engagement and their Impact on Organisational Citizenship Behaviour and Intention to Stay with Reference to Millennial Employees of Private Sector Banks in Chennai

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## Abstract

Commercial banks in India perform a wide range of functions, including managing foreign exchange, enabling payments, releasing deposits, offering investment services, making loans, promoting financial inclusion, and preserving stability in the financial system. Private sector banks give the Indian banking sector competitive advantages in terms of customer care, efficiency, technology, credit expansion, and job opportunities. Particularly in the private banking industry, a company's capacity to engage its workers is critical to its success and ability to stay competitive. Higher levels of commitment, productivity, and a strong desire to give value to their company are often displayed by highly engaged personnel. Since private sector banks predominate in Chennai's banking sector, it is imperative to understand the factors driving millennial employees' job engagement and the outcomes they generate. A mixed-method survey was employed in the study to gather primary data from 125 millennial employees who had worked in the business for at least two years. The results of the study showed that, in comparison to their peers, millennial workers at banks belonging to the elder generation had a more positive assessment of employee engagement, OCB, and intention to stay. Employee credentials had a major impact on their intention to stay, OCB, and level of engagement. Additionally, a high positive correlation between employee engagement, OCB, and intention to stay was found in the study. "Work Environment" was the element that most significantly impacted the prediction of millennial employees' intention to stay among all the factors that were evaluated. The study advises private sector banks to routinely evaluate the elements influencing employee engagement, OCB, and intention to stay among millennial employees in light of these findings. In the end, this proactive approach can help bank management attract, engage, and retain talented millennial workers, which will help the private sector banks in Chennai grow and succeed over the long run.

**Keywords:** Millennials, Engagement, Organisational Citizenship Behaviour, Intention to Stay, Leadership and Management Practices, Work Environment, Person-Job-Fit.

## 1 Introduction

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## 1.1 Background of the Study

In India, commercial banks perform a wide range of tasks, such as managing foreign exchange, facilitating payments, mobilizing savings, providing investment services, extending credit, encouraging financial inclusion, and maintaining financial stability. The Indian banking industry benefits from private sector banks' competition, customer-focused approach, technological innovations, efficiency, expansion of credit, and job opportunities. A company's ability to succeed and remain competitive depends heavily on its workforce, especially in the private banking sector. Highly engaged workers typically exhibit higher levels of dedication, productivity, and a strong desire to add value to their companies. For organizational effectiveness and long-term success, it is imperative to comprehend the factors that impact employee engagement and their outcomes among millennial employees in the context of Chennai's banking industry, where private sector banks are a major player. The purpose of this study is to find out what millennial workers think are the main factors affecting their level of engagement, how these factors impact Organizational Citizenship Behaviour (OCB), and whether or not they plan to stay in the Chennai district's private sector banking industry.

## 1.2 Conceptual Framework of the Study

"Employee Engagement" refers to the degree of dedication, participation, and zeal that staff member's exhibit in their work and in relation to the company. Numerous elements, such as management and leadership styles, the workplace, job designs, person-organization fit, person-job fit, training and development, and personal characteristics, all have an impact on this state. "Organizational Behavior" (OCB) is the term used to describe employee behavior that is voluntary, goes above and beyond what is required of them by law, and benefits the organization. These actions could be fostering a positive work environment, offering to do extra work, and assisting co-workers in connecting. "Intent to stay" describes an employee's trust and dedication to the company, as well as their desire and commitment to stay with the organization in the future. Organizations must comprehend the connection between employee engagement, OCB, and intention to stay in order to develop a productive workplace that encourages employee satisfaction and retention. Millennials make up a sizable portion of the workforce in private sector banks, so it is imperative to take their distinct traits and preferences into account when creating strategies that will effectively engage and retain this generation.

## 1.3 Problem of the Study

Born between 1981 and 1996, millennials are a diverse group of people with a wide range of experiences, backgrounds, and viewpoints [8]. Millennials are predicted to account for 75% of the workforce by 2025. Given that millennials make up over one-third of the workforce in India across all industries, including banking, it is imperative that employee engagement and retention take precedence. These highly educated and

skilled millennials could provide the banks with a competitive edge and improve customer performance if they could be recruited, managed, and retained. Engaging and keeping millennial employees is a challenge for Chennai's private sector banking sector. Employees that are engaged and have a sense of purpose in their work typically perform better, make fewer mistakes, and approach their work with more vigor, passion, and energy. Research has demonstrated that a deficiency in employee engagement and organizational citizenship can have substantial financial ramifications for businesses across the globe. Engagement of employees is essential for growth and success. It is imperative to comprehend the distinct attributes that impact the involvement of millennials in private banking within Chennai. Additionally, in-depth research on the impact of employee engagement on organizational citizenship behavior (OCB) and intent to remain is important for new employers. It increases employee satisfaction and improves employee retention. Although previous studies have examined the impact of employee engagement on corporate performance, special attention should be paid to the private equity financing context of Chennai companies and the unique characteristics and preferences of millennial employees. By addressing this problem, the research seeks to contribute to the overall success and competitiveness of private sector banks in Chennai by improving employee satisfaction, fostering positive behaviors, and increasing employee loyalty and retention. Overall, this study would bridge the gap in knowledge, address the specific dynamics of the millennial workforce, enhance organizational effectiveness, reduce turnover costs, and provide practical insights to private sector banks in Chennai for engaging and retaining their millennial employees effectively.

#### **1.4 Objectives of the study**

- This research predominantly aims to probe the factors affecting employee collaboration in private companies (HDFC Bank, ICICI Bank, Karur Vysya Bank, City Union Bank, etc.) in Chennai. By exploring these factors, this study aims to gain a superior understanding of the key facets that drive employee engagement in specific contexts.
- Secondly, this study intends to gauge the impact of corporate governance on civil rights for Generation Y employees and their satisfaction in private companies.
- Overall, this study aims to examine the dynamics affecting employee engagement of millennial private bankers in Chennai and examine their relationship with Organization citizenship behaviour (OCB).

## **2 Review of Literature**

[5] stated that in addition to producing high-quality work for the company, engaged workers foster greater loyalty and are less likely to leave on their own volition. [4] investigated turnover, organizational commitment, job satisfaction, self-efficacy, and organizational loyalty among Pakistani university professors. These elements affect

productivity, commitment, and the chance that teachers will leave their organizations voluntarily, according to research. In a survey conducted in 2012, Agarwal et al. polled 979 managers from six Indian service organizations. They discovered that creative work practices and employee engagement were positively correlated, increasing productivity.

In their study, [1] discovered that even when employee cooperation acts as a mediator, organizational commitment does not significantly influence employee turnover. Additionally, this study showed that employee turnover, organizational commitment, and job satisfaction were not significantly impacted by job stress. However, job satisfaction is considered a mediator between employee commitment and employee motivation. [12] studied the impact of employee engagement on employee retention at a five-star hotel in Chennai using a sample of 80 hotel employees. They concluded that there were no significant differences in employee engagement across genders and departments, but there were significant differences in employee engagement and employee retention.

In Bandar Lampung, Indonesia, [10] conducted research on high school teachers. They discovered that job satisfaction acts as a mediator between employee engagement and organizational citizenship behavior (OCB), with the former having a strong positive impact on the latter. [13] looked at how corporate citizenship behavior (OCB) affected employee empowerment and collaboration, with a particular emphasis on mediating personal responsibility. - produce. Personal productivity, motivation, and employee engagement are all positively impacted by OCB, according to a study that used primary data from 300 employees.

### 3 Research Methodology Adopted

The research methodology serves as a systematic approach to addressing the research problem. In this study, the methodology adopted is presented in the following table:

**Table 1.** Research Methodology Adopted

Research type	Exploratory and Descriptive Research
Research Approach	Both Qualitative and Quantitative Approach
Population (Universe) & Sampling Unit	Millennial Employees working in Private Sector Banks in Chennai
Sample size	125 Millennial Employees working in Private Sector Banks in Chennai
Sampling Area	Chennai District
Sampling Method	Purposive Sampling – Non-Probability sampling Purpose: Minimum 2 Years of job experience
Data type	Primary (Majority of the data) and Secondary Data
Sources of Primary Data	Questionnaire and Personal Interview
Sources of Secondary Data	Online Journals, Websites, Reports, Newspapers, Thesis, Magazines, Books, Research articles, etc.

Research instrument	Structured Questionnaire
Software used for data feeding and analysis	MS Office 2016 & SPSS (Ver.20)

(Source: Author)

### 3.1 Data analysis and Interpretation

Following data collection, the subsequent stage entails data processing and analysis in alignment with the predetermined research plan's framework. A range of statistical tools is used to thoroughly examine the results in relation to the study's objectives and hypotheses.

**Table 2.** Demographic & Job Profile of the Millennial Employees

**(N = 125)**

Variables	Options	Frequencies	(%)
Gender	Male	72	57.60
	Female	53	42.40
Marital Status	Married	80	64.00
	Unmarried	45	36.00
Qualification	School/Diploma	24	19.20
	UG/PG	65	52.00
	Professional	36	28.80
Monthly Salary	Upto Rs.25,000	34	27.20
	Rs.25,001 – Rs.50,000	64	51.20
	Above Rs.50,000	27	21.60
Total Job Experience	2 - 5 Years	Open ended Question (Scale Variable)	62.00
	Above 5 Years		38.00
Type of Private Sector Bank	New Private Sector Bank	76	60.80
	Old Private Sector Bank	49	39.20

(Source: Primary Data)

#### Conjecture

From the above table 3.1, clearly designates that the demographic and job profile data for millennial employees in selected private sector banks in Chennai. The table reveals that male employees make up 57.60% of the total, while female employees constitute 42.40%. A majority of the employees, accounting for 64%, are married, and 52% of the millennial employees have either an undergraduate or postgraduate degree. Additionally, 51.20% of the millennial employees (64 individuals) earn a monthly salary in the range of Rs. 25,001 to Rs. 50,000.

With respect to Job Profile of the millennial employees, 62% of the millennial employees have 2 – 5 Years of job experience in the present banking organisation. In terms of the type of private sector bank where employees are working, majority (60.80%) of the millennial employees belong to New Private Sector Banks.

### 3.2 Factors of Employee Engagement – Mean Analysis

In order to assess the perceptions of millennial employees regarding the factors influencing Employee Engagement, a structured questionnaire was administered. This questionnaire contained 15 questions, with each of the five factors—Leadership and Management Practices (LMP), Person-Organization-Fit (POF), Person-Job-Fit (PJF), Work Environment (WE), and Training and Development (TD)—addressed by three questions or variables.

**Table 3.** Millennial Employees’ Perception on the Factors that Influencing Employee Engagement - Mean Analysis

Descriptive Statistics				
S No.	Factors of Employee Engagement	N	Mean	SD
1	Leadership and Management Practices (LMP)	125	11.12	2.845
2	Person-Organization-Fit (POF)	125	11.87	1.995
3	Person-Job-Fit (PJF)	125	11.45	2.321
4	Work Environment (WE)	125	12.66	1.425
5	Training & Development (TD)	125	10.15	3.050
	<b>Millennial Employees’ Perception on Engagement in Banks</b>	<b>125</b>	<b>57.25</b>	<b>2.552</b>

(Source: Primary Data)

#### Inference

According to the data presented in Table 3.2, it is evident that Work Environment (with a mean score of 12.66) and Person-Organization-Fit (with a mean score of 11.87) emerge as the top two factors significantly impacting employee engagement among millennial employees in private sector banks, surpassing other factors. On the other hand, Training and Development (with a mean score of 10.15) is the least influential factor concerning millennial employees' engagement when compared to the other factors. In addition, the table also shows that millennial employees have an above-average

perception of various factors affecting employee engagement, with the average of each change greater than 10 and accounting for two-thirds or 66.67% of the total score (15). The overall employee engagement average of Generation Y employees in private sector banks is 57.25, which equals 76.33% of the total score. Hence, this indicates a high level of cooperation, over 76%.

### 3.3 Independent Sample t-test

**H0:** There is no significant difference in terms of employee loyalty between new generation and old generation with regard to the employees' engagement factors in private banking.

An independent sample t test was conducted to evaluate the differences between the new generation and the older generation Y generation employees. Private equity firms focus on factors that affect employee engagement. The analysis showed that the p value of all factors affecting employee engagement, as well as the general content of employee engagement, was less than 0.01 and 0.05 significance level. Therefore, the null hypothesis concludes that there is a significant difference between the two sets of factors affecting employee engagement and the overall score of employee engagement is rejected.

**Table 3.3** ⇔ **Independent Sample t-test on Type of Private Sector Bank and Employee Engagement Factors**

Variable	Type of Bank						t - value	p - value
	New-Gen			Old-Gen				
	N	Me an	S D	N	Me an	SD		
Leadership and Management Practices	76	1 1.01	2. 111	49	11 .83	2.3 35	2.564	0.0 23*
Person-Organization-Fit	76	1 1.88	1. 556	49	12 .67	1.8 82	3.912	0.0 00**
Person-Job-Fit	76	1 1.61	1. 879	49	12 .88	2.1 15	2.865	0.0 12*
Work Environment	76	1 2.35	1. 223	49	13 .27	1.5 47	3.110	0.0 09**
Training & Development	76	1 0.24	2. 324	49	10 .85	2.5 13	2.181	0.0 36*
Perception on Factors	76	5 7.09	3. 698	49	61 .50	2.3 75	3.563	0.0 03**

of Em- ployee En- gagement								
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(Source: Primary Data)

(\*\* 1% level of significance) & (\* 5% level of significance)

**Inference**

Overall mean score of this analysis accentuate that the employee engagement among millennial employees divulges that those in Old-Gen Private Sector Banks (with a mean score of 61.50) exhibit a higher level of perception regarding the factors influencing employee engagement compared to millennial employees in New-Gen Private Sector Banks (with a mean score of 57.09). This suggests that millennial employees in Old-Gen Private Sector Banks hold a more favourable perception of the factors related to employee engagement in comparison to their counterparts in New-Gen Private Sector Banks. As a result, there exists a significant difference between millennial employees in New-Gen and Old-Gen Private Sector Banks in relation to the factors impacting Employee Engagement.

**3.4 Correlation Analysis**

**H0:** There is no association between employee engagement, organizational citizenship behaviour and intention to stay among Generation Y employees of private sector banks.

Pearson's product term affiliation aims to investigate the relationship between employee engagement, public behaviour and intention to stay with Generation Y in private banking. The results showed that the p value (0.000) in all mentioned relationships (employee commitment, organizational citizenship behaviour and intention to stay) was below the critical value of 0.01. It concludes that the null hypothesis is rejected. These findings reveal resilient, affirmative, and statistically significant correlations among Employee Engagement, Organisational Citizenship Behaviour, and Intention to stay in the context of millennial employees, highlighting the interconnections between these variables.

**Table 4.** Correlation Analysis on Employee Engagement, OCB and Intention to Stay

Vari- ables	N	'r' Value	P - Value	Associa- tion	Remarks	
					Signifi- cant	Result
Employee Engagement – OCB	125	0.732 **	0.000	Positive	Significant	Rejected
Employee Engagement	125	0.8 26 **	0.0 00	Positive	Signifi- cant	Re- jected



– Intention to Stay						
OCB – Intention to Stay	125	0.754**	0.000	Positive	Significant	Rejected

(Source: Primary Data)

\*\*. Correlation is significant at the 0.01 level (2-tailed).

**Inference**

Among the three associations, the liaison between employee engagement and intention to stay is higher ( $r = 0.826$ ), while the affinity between employee commitment and organizational citizenship behaviour is less ( $r = 0.732$ ). The relationship between citizenship behaviour in organization and desire to live is also significant ( $r = 0.754$ ). Overall, a strong relationship was found among Employee Engagement, Organisational Citizenship Behaviour and Intention to stay with esteem to millennial employees of Private Sector Banks.

### 3.5 Multiple Regression Analysis on Factors of Employee Engagement – Intention to Stay

Regression analysis intention is to conclude the liaison between dual or more variables. In this multiple regression analysis, the dependent variable is “Satisfaction.” The autonomous variables used in this analysis include leadership and management (LMP), person-organization fit (POF), employee fit (PJF), work environment (WE), and training and development (TD). The review targeted millennial employees employed by private banks

**Table 5.** Multiple Regression Analysis on Factors of Employee Engagement – Intention to Stay

Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
B	Std. Error				
(Constant)	15.58	1.381	-	8.364	000
Leadership and Management Practices (LMP)	.231	.054	.223	5.328	000
Person-Organization-Fit (POF)	.248	.059	.215	4.716	000
Person-Job-Fit (PJF)	.213	.063	.194	3.084	010
<b>Work Environment (WE)</b>	<b>.377</b>	<b>.042</b>	<b>.369</b>	<b>7.590</b>	<b>000</b>
Training & Development (TD)	.199	.068	.182	2.561	.024

**Dependent Variable: Intention to Stay****Inference**

The combination of all independent variable is predicting the dependent variable, "Intention to Stay," is indicated by the p-values of .000, .010, and .024, which are lower than the significance levels of .001 and 0.05 (Sig. Value 2-tailed). The Adjusted R-squared value stands at 0.734. Among the independent variables, "Work Environment" (0.369) exerts the most generous stimulus on envisaging the dependent variable, "Intention to Stay." The unstandardized coefficient reveals that a one-unit increase in "Work Environment" corresponds to an increase of 0.377 units in "Intention to Stay." "Leadership and Management Practices" (0.223), "Person-Organization-Fit" (0.215), "Person-Job-Fit" (0.194), and "Training & Development" (0.182) also significantly contribute to the prediction of "Intention to Stay" among millennial employees, albeit to a lesser extent than "Work Environment."

## 4 Findings

- The findings of the study revealed that "Work Environment" emerged as the most influential factor in determining Employee Engagement, OCB and Intention to stay among millennial employees of private sector banks.
- The study also found that millennial employees' perception on 'Training and Development' is lesser than other factors.
- Moreover, the study revealed that millennial employees working in Old-gen Private Sector Banks held a more favourable perception of the factors contributing to employee engagement compared to their counterparts in New-gen Private Sector Banks.
- There are high positive and significant relationships among Employee Engagement, Organisational Citizenship Behaviour and Intention to Stay with respect to millennial employees.
- Based on these findings, it is advisable for New-gen Private Sector Banks to formulate and revise their policies and strategies to enhance employee engagement and its subsequent benefits.
- This approach can boost employee skills, knowledge, and work engagement, ultimately leading to improved Organizational Citizenship Behaviour (OCB) and employee retention.
- The study also highlights the importance of regular assessments of factors influencing employee engagement, OCB, and intention to stay among millennial employees, providing actionable insights for attracting, engaging, and retaining talented millennials and contributing to long-term success, growth, and sustainability.

## 5 Suggestions and Recommendations

Furthermore, the study underscores the significance of effective Recruitment and Selection procedures to enhanced Person-Job-Fit and Person-Organization-Fit, ultimately enhancing employee engagement. Additionally, improving the quality of leadership and managerial practices within these banks is crucial, emphasizing the value of

employees as essential assets. In summary, the study recommends that Private Sector Banks prioritize Training and Development programs, create supportive work environments, implement effective recruitment and selection practices, and emphasize strong leadership and managerial practices to enhance employee engagement and its associated benefits.

## 6 Conclusion

Overall, the findings of this study emphasize the significance of employee engagement, OCB, intention to stay, and understanding millennial employees in the banking sector. Recognizing employees as valuable assets, it becomes crucial to properly nurture and develop them to enhance their performance. One important approach to achieving better employee performance is by fostering employee engagement, which, in turn, contributes to improved organizational citizenship behavior and intention to stay. The level of employee engagement significantly influences whether millennial employees actively participate in their work, achieve high performance, and decide to stay with their current banking organization or explore opportunities elsewhere, possibly with competitors. Banks need to take proactive steps to cultivate and maintain an engaged workforce, continually updating and enhancing their policies and practices in line with global best practices suitable for this employee demographic. Prioritizing the creation of a positive work environment, offering career development prospects, and aligning their approaches with the preferences and values of millennial employees should be the focus. This approach will lead to improved engagement, higher retention rates, and enhanced overall organizational performance.

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