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Employee Engagement Practices in Private Sector Banks: An Empirical Study.

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ABSTRACT
The study adopts a cross-sectional descriptive design and uses a semi structured, highly structured questionnaire to gather primary data from 417 active banking professionals of the top five private sector banks in National Capital Region (Delhi NCR), India. Independent Samples t-tests and One-way Analysis of Variance (ANOVA) were used to analyze parametric comparative dynamics, with Tukey's Honestly Significant Difference (HSD) post-hoc test. The measurement model exhibited good psychometric properties in four areas: Work-Life Balance, Growth & Development, Communication, and Safety & Security. The comparative analysis showed that perceptions of employee engagement practices were not statistically different across various individual demographic factors, but significantly different across the various banking organization. The post hoc tests revealed that the main difference between these two specific banks was the cumulative favorability recorded namely by ICICI Bank and Axis Bank. The results offer important steps for banking leaders to take beyond generic HR policies and instead utilize bank-specific organizational interventions that will leverage existing communications and organizational structures within the workplace..

Keywords: Employee Engagement, Private Banks, Work–Life Balance, Communication, Growth and Development, Safety and Security...

INTRODUCTION

Indian private banking sector is a fiercely competitive sector with employee engagement as one of the key business priorities (Banerjee & Chatterjee, 2021). In addition to monetary rewards, banks are increasingly prioritizing HR practices like supportive communication systems, developmental opportunities, and work-life balance programs that help foster employee commitment (Desai & Shah, 2023). The banking sector, which constitutes an important economic infrastructure, has experienced fundamental changes in its structure, such as digitalization and market expansion (Vyas & Mehta, 2022). In the service sector, front-line staff are an important factor in service quality and compliance, so optimizing employee engagement is a key to reduce burnout and staff turnover (Reddy & Venkatesh, 2024). But there are few empirical studies that break down the engagement process in different private banks in India. This study aims to fill this void by examining the engagement practices of 5 prominent private banks in Delhi NCR. The latest studies indicate that engagement practice affects the performance of an organization, wellbeing of employees and service quality the study of engagement practices in private banks can give evidence for enhancing HR strategies and maintaining the competitiveness of the organizations. The banking system is the backbone economic structure in the global financial services system. In the past decade to distinguish service quality and build long term customer relationships, private sector banks are highly dependent on their front line and operations staff to achieve a high level of execution compliance. This has made employee engagement practices more complicated and shifted from a human resource option to a strategic need. Employee engagement practices are the formal and informal institutional mechanisms that a company implements to engage, connect and satisfy its employees. In private banking environments, where high stress, high sales quotas and constant compliance monitoring are the norm, these engagement practices serve as important buffers against burn out and attrition. Although human resource research generally confirms that a good work environment is associated with positive employee results, the empirical analysis of the psychometric profile of each of the frameworks for engagement and the variation between these frameworks and institutional structures in competing corporate banks is lacking in detail. This paper aims to respond to this empirical beginning by examining the structuring and perception of employee engagement practice in five leading private sector companies in terms of Total Assets Basis IndusInd Bank, HDFC Bank, ICICI Bank, Kotak Mahindra Bank, and Axis Bank. Bank sector in India is part and parcel of the nation’s economic and financial sector. Banks have become less intermediaries in finance and more central stakeholders in how savings financing mechanisms drive business and economic growth across all sectors of the economy. In history, India’s banking system has been founded on the public sector institution, regulated for the most part, in an extremely restrictive and autonomy curtailing manner without a great deal of flexible governance. HR practices were few, largely focused on compliance with payroll management and adherence of administrative processes. The Indian banking sector underwent a massive paradigm shift post 1990s which was led by the three major reforms globalization, liberalization and privatization which overhauled the economy. Employee engagement refers to the level of emotional connection that employees feel to a company's purpose and values and the extent to which they feel themselves committed to it. Happiness on the job is one thing, but purpose, energy and belonging is another.

Literature Review

The organizational engagement practices are conceptually based on Social Exchange Theory (SET) and Job Demands-Resources (JD-R) model. When supportive organizational systems are implemented by corporate institutions, employees' sense of professional reciprocity increases and also raises their cognitive, emotional and physical presence, according to SET. In contemporary service literature, employee engagement is examined as a multi-facet construct of strategic work-life balance programs, ongoing development programs, open and effective communication channels and structural safety and security programs.

2.1 Theoretical Framework

The Job Demands-Resources (JD-R) model. With work-life balance and safety and security, in our

theory, job resources protect against the negative spillover of work demands characteristic in private banking (such as customer pressure or working long hours).

Social Exchange Theory (SET)

Employees view banks as taking organizational care to invest in training, transparent appraisals, and career development and they return the favor with loyalty and increased engagement.

Job Demands-Resources (JD-R) model

The vast theory used for understanding engagement, the Job Demands–Resources (JD-R) framework is still the one commonly employed by engagement researchers. The model can further help divide the characteristics of jobs into two categories: demands (that require effort or generate strain at the level of work, such as workload or emotional labor) and resources (that assist with reaching goals, which reduce the strain on an individual, or enable growth, such as autonomy, support, and recognition). Higher job resources cause employees to be more motivated and to be more connected; when demands exceed resources, burnout develops. This renders JD-R an adaptable instrument to account for engagement in hybrid or unpredictable business scenarios such as private banking in the Delhi NCR region.

Organizational Support Theory (OST)

Organizational Support Theory (OST) has enhanced emotional aspects of organizational culture

through the concept of Perceived Organizational Support (POS) the belief that your organization values your contribution and cares for your well-being. POS becomes a key contributor to engagement, and as a mediator, HR practices affect success.

Lu et al. (2023) found that employee resilience indirectly affects employee performance via work engagement. Theoretically the results of this study suggest that there is a serial mediation mechanism where sustainable HRM practices influence both employee well-being and employee performance. Practically, the results show that sustainable HRM practices have a positive influence on employee well-being and employee performance. There is a growing trend by employers to set up the appropriate environments to allow employees work–life balance. Meanwhile, organizations that focus on their level outcomes are promoting enhanced employee work engagement. Madan, P & Srivastava, S. (2015) reviews the possibility of achieving a competitive advantage for organizations by improving the engagement, while tries to determine if there are differences in the dimensions of employee engagement. The concept of Work-Life Balance (WLB) has undergone a sea change in high competition banking. Long hours, shift-based work and constant connectivity often lead to serious work-family conflicts. Ahmed, S., Ashrafi (2025) the influence of training and development and work–life balance on employee engagement and job performance at private banks in Bangladesh. This study also examines the indirect effect of training and development and work–life balance on the job performance of private banks in the intermediary role of employee engagement. The study findings of strategic HR confirm that organizations that provide clear rules on off-time, psychological counselling support and give clear indications on off-time boundaries consistently have better institutional health metrics. Likewise, Growth and Development (GD) is one of the important operational factors. How the financial tech and regulatory standards are evolving is a constant in banking. Clear skill development progression, training management, and clear promotion systems reduce stagnation in professions, transforming routine labor into high-value talent resources. In addition, the current internal marketing literature focuses strongly on organizational Communication (COM) and Safety and Security (SS). The communication is based on vertical feedback loops, empathetic senior leadership interactions and clear strategic updates. Clear communication removes the ambiguity, increases alignment with corporate objectives, and improves the overall effectiveness of communication. Safety and Security frameworks give the psychological background that is essential in long lasting commitment. Security for private banking is not just physical, but also structural: protection from systemic job insecurity, arbitrary dismissal and negative performance pressure. This study brings these complementary streams together into one structure to analyses the multidimensional validation and distribution in Indian banker fraternity. In recent empirical research in emerging economies, these dimensions are emphasized as being crucial. For example, research on professional health in banking conducted by companies has shown that flexible workplace design can definitely reduce systemic burnout, reinforcing the basic research of Schaufeli et al., (2002) and more recent studies by Gupta and Sharma, (2022). Likewise, Kumar and Mishra (2023) found that human capital capabilities evaluation serves as a significant pathway to mitigate the intention to quit service sector jobs under stressful conditions. At the same time, Singh and Rao (2024) have established transparency in internal communication networks as a prerequisite for developing organizational identification. Last, but not least, safety guarantees and stable contractual terms ensure the necessary minimum conditions for high performance under pressure (Verma & Kapoor, 2023). The theoretical basis combines Social Exchange Theory (SET) (Gupta & Sharma, 2022) and the Job Demands-Resources (JD-R) model. Supportive organizational systems lead to employee reciprocity and, therefore, greater engagement (Wood et al., 2020). Engagement has several different facets, including: work-life balance, growth and development, communication, and safety/security (Madan & Srivastava, 2015). The pressure environment of the banking sector further fuels work-family imbalance and flexible working hours and psychological support are essential. Reduced turn intention because of growth initiatives such as skill enhancement and leadership development (Kumar & Mishra, 2023). Clear communication channels help employees stay in sync with the organization's objectives and eliminate confusion (Iyer & Narayan, 2023). There are two types of safety and security constructs physical and psychological and they are important in the context of high-pressure situations (Joshi & Bhatt, 2024).

3. Research Gap

There is a significant gap in the empirical literature on HRD and employee engagement. Current studies have focused on employee engagement practices as a more general, one-dimensional business tool, without accounting for specific dimensions such as Work-Life Balance and Growth & Development being differently designed in the competitive banking environment. Moreover, the current research tends to focus on a single commercial institution, without taking into account the distinctiveness of the corporate cultures, governance models, and leadership styles found within the private banking sector, which may skew the nature and level of employee engagement with practices. In addition, the current research generally assumes that the implementation of engagement practices is homogeneous for all commercial institutions, failing to consider the effects a unique corporate culture, governance model or leadership style may have on how engagement practices are perceived by employees of a given institution, particularly a private banking institution. Furthermore, the Indian banking environment lacks common and mutually accepted psychometric constructs across different stages with higher order metrics such as heterogeneity trait/mono trait (HTMT) ratio and further parametric differentiation. This study will fill these gaps and examine some operational dimensions of a few private banks of the Delhi-NCR.

4. Research Methodology

The approach used in this study is cross section descriptive and analytical empirical. Its target group are banking professionals of reputed private sector commercial banks in the National Capital Region (Delhi NCR), India. An online structured and self-administered questionnaire was used for the collection of primary data. The sampling frame yielded a sound sample of 417 active employees from 5 large private banks namely IndusInd Bank, HDFC Bank, Kotak Mahindra Bank, ICICI Bank and Axis Bank. These are a variety of companies with different capitalizations, business models and company cultures. The research hypothesis is formulated based on the above-mentioned research objective as follows:

H1: There is a significant difference in the level of employee engagement among employees of private banks.

H2: There is a significant difference in the employee engagement practices followed by different private banks.

The main tool for collecting the data was based on the validation of the scales and the adaptation of items of questionnaires to the operational environment of banking. The first questionnaire was developed by measuring the four main latent variables through a number of particular items. The data analysis process involved a number of steps. Firstly, confirmatory factor analysis (CFA) was performed using the structural equation modelling (SEM) approach. Then, Harman's single-factor test was used to test the risk of common method bias. Finally, sophisticated statistical analyses such as independent samples t-test, one-way ANOVA and Tukey's HSD post-hoc were performed.

Objectives of the Study

The main objective of this research paper is to analyze the employee engagement practices used in selected private sector banks. In order to accomplish the above-stated general objective, the study focuses on the following two fundamental operational ways: firstly, evaluating and validating the psychometric measurement structure of the dimensions of the employee engagement practice (work-life balance, growth & development, communication and safety & security) through advanced confirmatory factor analysis; Secondly, investigating empirically and comparing the perceptual variance of the same employee engagement practices used in different private banks.

5. Data Analysis and Interpretation

This chapter presents the analysis and interpretation of data collected from 417 employees of selected private banks in Delhi NCR to examine employee engagement and the organizational practices associated with it. The analysis provides empirical evidence regarding the psychometric adequacy of the study constructs and the relationships among the variables under investigation.

5.1 Reliability and Convergent Validity Analysis of Employee Engagement Practices

The reliability and convergent validity of the employee engagement practice constructs were assessed using Cronbach's alpha, Composite Reliability (CR), and Average Variance Extracted (AVE).Internal consistency reliability was examined using Cronbach's alpha (Cronbach, 1951). The Cronbach's alpha values for Work Life Balance (0.876), Growth & Development (0.725), Communication (0.935), and Safety & Security (0.856) exceeded the recommended threshold of 0.70, indicating satisfactory internal consistency. The similarity between the standardized and unstandardized alpha values further supports the reliability of the constructs. The initial measurement model comprised a larger number of indicators, particularly for the Growth & Development construct.The final measurement model retained only those indicators that satisfied both statistical criteria and theoretical relevance. Similarly, the Composite Reliability values for all constructs exceeded the recommended threshold of 0.70, confirming satisfactory construct reliability. Communication (0.933) exhibited the highest Composite Reliability, followed by Work Life Balance (0.891), Safety & Security (0.867), and Growth & Development (0.743).

Table 5.1: Reliability and Convergent Validity of Engagement Practice Constructs

Construct	Cronbach's Alpha (Std.)	Cronbach's Alpha (Unstd.)	(CR)	AVE
Work-Life Balance	0.876	0.878	0.891	0.604
Growth & Development	0.725	0.721	0.743	0.509
Communication	0.935	0.933	0.933	0.620
Safety & Security	0.856	0.856	0.867	0.524

Convergent validity was evaluated using Average Variance Extracted (AVE). All constructs exceeded the recommended threshold of 0.50, indicating that each construct explained more than half of the variance in its respective indicators. Communication (0.620) and Work Life Balance (0.604) demonstrated comparatively stronger convergent validity, while Safety & Security (0.524) and Growth & Development (0.509) also satisfied the recommended criterion. Accordingly, the employee engagement practice constructs demonstrated satisfactory construct reliability and convergent validity (Bagozzi & Yi, 1988).

Overall, the retained indicators exhibited satisfactory psychometric properties, confirming that the employee engagement practice measurement model possesses adequate reliability and convergent validity and is suitable for subsequent analyses.

5.2 Discriminant Validity Assessment using Fornell-Larcker Criterion (Engagement Practices)

The discriminant validity of the employee engagement practice constructs was assessed using the Fornell–Larcker criterion (Fornell & Larcker, 1981). According to this criterion, discriminant validity is established when the square root of the Average Variance Extracted (AVE) for each construct exceeds its correlations with the remaining constructs. As presented in Table 5.2, the diagonal elements represent the square root of the AVE for Work Life Balance (0.777), Growth & Development (0.713), Communication (0.787), and Safety & Security (0.724). In each case, these values exceed the corresponding inter-construct correlations, indicating that each construct shares greater variance with its own indicators than with the other constructs.

Table 5.2: Discriminant Validity using Fornell-Larcker Criterion

Construct	Work Life Balance	Growth & Development	Communication	Safety & Security
Work Life Balance	**0.777**			
Growth & Development	0.648	**0.713**		
Communication	0.425	0.326	**0.787**	
Safety & Security	0.587	0.594	0.292	**0.724**

Specifically, Work Life Balance demonstrates satisfactory discriminant validity, as its square root of AVE (0.777) exceeds its correlations with Growth & Development (0.648), Communication (0.425), and Safety & Security (0.587). Likewise, Growth & Development, Communication, and Safety & Security each satisfy the Fornell–Larcker criterion, confirming that the constructs are empirically distinct despite exhibiting moderate positive associations.

The correlation between Growth & Development and Safety & Security (0.594) is comparatively stronger than several of the remaining inter-construct correlations and is relatively close to their respective square roots of AVE (0.713 and 0.724). Nevertheless, both constructs satisfy the Fornell–Larcker criterion, indicating adequate discriminant validity. This finding is theoretically justifiable, as both constructs represent complementary organizational practices that contribute to employee engagement while capturing distinct conceptual dimensions. Overall, the results confirm that the employee engagement practice constructs exhibit satisfactory discriminant validity. Accordingly, each construct demonstrates adequate empirical distinctiveness, and the measurement model is considered suitable for subsequent analyses.

5.3 Discriminant Validity Assessment using HTMT Criterion (Engagement Practices)

Discriminant validity of the employee engagement practice constructs was further assessed using the Heter trait Mon trait (HTMT) ratio proposed by Henseler et al. (2015.As presented in Table 5.3, all HTMT values are below the recommended threshold of 0.85, confirming adequate separation among the employee engagement practice constructs.

Table 5.3: Discriminant Validity using HTMT Ratio

Construct	**Work Life Balance**	**Growth & Development**	**Communication**	**Safety & Security**
Work Life Balance				
Growth & Development	0.834			
Communication	0.446	0.371		
Safety & Security	0.655	0.719	0.360	

The HTMT value between Work Life Balance and Growth & Development (0.834) is comparatively high but remains below the recommended threshold, indicating that the two constructs are closely related while maintaining adequate discriminant validity. Likewise, the HTMT values for Work Life Balance–Communication (0.446), Work Life Balance–Safety & Security (0.655), Growth & Development–Communication (0.371), Growth & Development–Safety & Security (0.719), and Communication–Safety & Security (0.360) are all well within the recommended limits. These findings indicate that the constructs measure distinct dimensions of employee engagement practices without excessive conceptual overlap.

Overall, the HTMT results corroborate the findings obtained through the Fornell–Larcker criterion, providing additional evidence that the employee engagement practice constructs exhibit satisfactory discriminant validity. Accordingly, the measurement model demonstrates adequate construct distinctiveness and is suitable for subsequent analyses.

5.4 Factor Loadings and Indicator Reliability (Engagement Practices)

The standardized factor loadings were examined to assess **indicator reliability** and the contribution of each measurement item to its respective latent construct. Standardized factor loadings indicate the strength of the relationship between observed indicators and their underlying constructs. Loadings above **0.70** are generally considered desirable, whereas values above **0.50** are acceptable when supported by satisfactory construct reliability and convergent validity (Hair et al., 2022). As presented in **Table 5.4**, the majority of the indicators demonstrate loadings above the recommended threshold of 0.70, indicating strong indicator reliability.

Table 5.4: Outer Loadings of Engagement Practice Indicators

Construct	Item	Outer Loading
Communication	COM1	0.617
	COM10	0.723
	COM3	0.859
	COM4	0.860
	COM5	0.842
	COM6	0.846
	COM7	0.770
	COM8	0.786
	COM9	0.750
Growth & Development	GD1	0.513
	GD6	0.808
	GD7	0.781
Safety & Security	SS1	0.548
	SS2	0.858
	SS3	0.811
	SS4	0.751
	SS5	0.710
	SS7	0.620
Work Life Balance	WLB1	0.876
	WLB2	0.887
	WLB3	0.874
	WLB4	0.599
	WLB5	0.587

Source: Author's Compilations

For the construct Communication, most items exhibit high loadings ranging from 0.723 to 0.860, with only one item (COM1 = 0.617) slightly below the ideal threshold but still within acceptable limits. For Growth & Development, two items (GD6 = 0.808 and GD7 = 0.781) demonstrate strong loadings, while GD1 (0.513) shows a comparatively lower loading but remains above the minimum acceptable threshold and was therefore retained. In the case of Safety & Security, most indicators exhibit satisfactory loadings, particularly SS2 (0.858) and SS3 (0.811). Some items, such as SS1 (0.548) and SS7 (0.620), demonstrate comparatively lower loadings but still satisfy the acceptable criteria for retention.

For Work Life Balance, the majority of indicators (WLB1–WLB3) exhibit very high loadings above 0.85, indicating strong representation of the construct. Although WLB4 (0.599) and WLB5 (0.587) demonstrate comparatively lower loadings, they remain within acceptable limits and contribute meaningfully to construct measurement. Overall, all retained indicators demonstrate acceptable to strong loadings, confirming satisfactory indicator reliability. Items with low factor loadings and inadequate contribution to construct validity were removed during the measurement model refinement process. Therefore, the measurement model for employee engagement practices demonstrates adequate indicator reliability and is considered reliable and appropriate for further analysis.

5.5 Model Fit Assessment of Engagement Practices Measurement Model

The model fit of the employee engagement practices measurement model was evaluated using multiple goodness-of-fit indices as recommended in structural equation modelling literature.The interpretation of goodness-of-fit indices was conducted following established SEM guidelines (Kline, 2023). A combination of absolute, incremental, and parsimonious fit indices was considered to provide a comprehensive evaluation of the model.

The Chi-square value of 575.181 with 224 degrees of freedom resulted in a Chi-square/df ratio of 2.568, which is below the recommended threshold of 3.0, indicating a good model fit. This suggests that the proposed measurement model adequately represents the observed data. The RMSEA value of 0.067 falls within the acceptable threshold of less than 0.08, indicating an acceptable level of model fit.

Table 5.5: Model Fit Indices of Engagement Practices Model

Fit Index	**Estimated Model**	**Threshold**
Chi-square	575.181	Lower value preferred
Degrees of Freedom	224	—
Chi-square/df	2.568	< 3.00 (Good fit)
RMSEA	0.067	< 0.08 (Acceptable)
SRMR	0.067	< 0.08 (Good fit)
GFI	0.947	> 0.90 (Good fit)
AGFI	0.942	> 0.80 (Acceptable)
NFI	0.964	> 0.90 (Good fit)
TLI	0.928	> 0.90 (Good fit)
CFI	0.971	> 0.90 (Good fit)

The SRMR value of 0.067 falls within the recommended threshold of less than 0.08, indicating a good model fit and suggesting that the standardized residuals between the observed and predicted covariance matrices are minimal. This reflects a satisfactory level of agreement between the proposed measurement model and the observed data. Furthermore, the SRMR value supports the adequacy of the model specification, even with the inclusion of multiple latent constructs and indicators. Since the remaining goodness-of-fit indices also demonstrate satisfactory model fit, the overall measurement model exhibits a good level of fit and is considered appropriate for further analysis.

Among the incremental fit indices, the CFI (0.971), NFI (0.964), and TLI (0.928) all exceed the recommended threshold of 0.90, indicating strong model fit. These indices suggest that the proposed model performs substantially better than the null model. The GFI (0.947) and AGFI (0.942) also exceed their respective recommended thresholds, further supporting the adequacy of the model. The overall model adequacy was evaluated using multiple fit indices. All fit indices met the recommended threshold values, indicating a good overall model fit. Therefore, the measurement model for employee engagement practices is considered adequate and suitable for further analysis.

5.6 Measurement Model of Employee Engagement Practices

Figure 5.1 illustrates the relationships between the latent constructs Work Life Balance, Growth & Development, Safety & Security, and Communication and their respective observed indicators. The model also depicts the correlations among the constructs, providing an overall representation of the employee engagement practices measurement framework. Each latent construct is measured through its retained indicators, with the standardized factor loadings indicating the extent to which each observed variable reflects its underlying construct.

The retained indicators of Work Life Balance (WLB1–WLB5), Growth & Development (GD1, GD6, and GD7), Communication (COM1 and COM3–COM10), and Safety & Security (SS1–SS5 and SS7) exhibited satisfactory standardized factor loadings, indicating that they adequately represent their respective latent constructs. Although a few indicators, including GD1 (0.513), COM1 (0.617), SS1 (0.548), SS7 (0.620), WLB4 (0.599), and WLB5 (0.587), recorded comparatively lower loadings, all exceeded the minimum acceptable threshold and were retained based on satisfactory construct reliability, convergent validity, and theoretical relevance.

The curved double-headed arrows represent the correlations among the latent constructs. Moderate positive relationships were observed between Work Life Balance and Growth & Development (0.648), Growth & Development and Safety & Security (0.594), and Work Life Balance and Safety & Security (0.587), while the correlations involving Communication ranged from 0.292 to 0.425, indicating comparatively weaker but meaningful associations. These findings are theoretically consistent, as the four constructs represent complementary organizational practices that collectively contribute to employee engagement while remaining empirically distinct.

The error terms associated with each observed indicator represent the proportion of variance not explained by the corresponding latent construct. Overall, the retained indicators adequately represent their respective constructs, and the observed inter-construct correlations further support the reliability, convergent validity, and discriminant validity of the employee engagement practices measurement model. Accordingly, the measurement model provides a sound basis for the subsequent analyses.

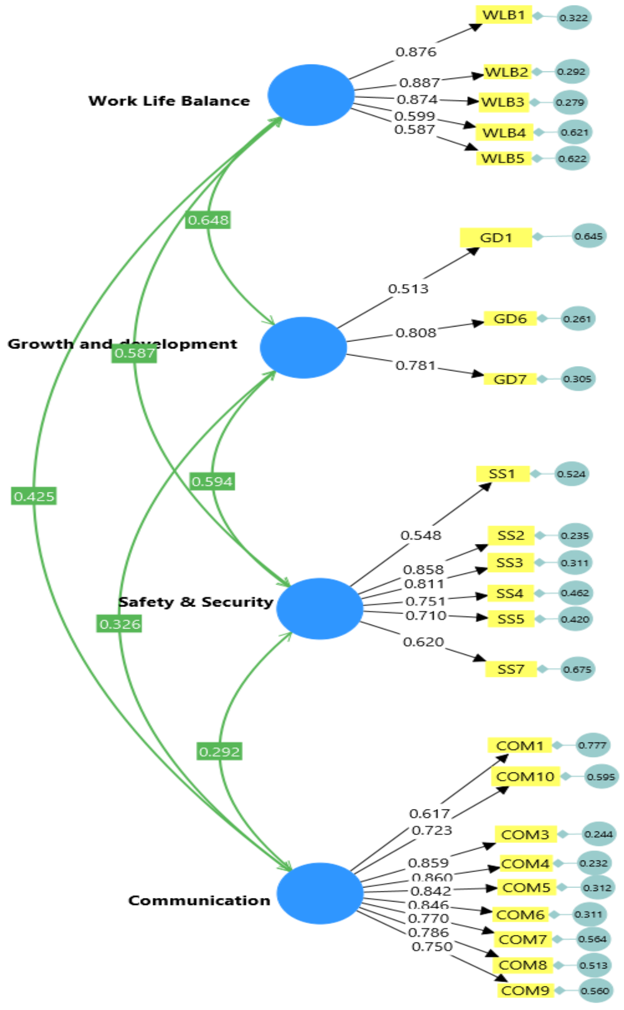

Figure 5.1: Measurement Model of Employee Engagement Practices

Source: Author's Work

Common Method Bias Assessment

Since all data were collected using a single structured questionnaire administered to the same respondents, the possibility of Common Method Bias (CMB) was assessed using Harman's Single Factor Test (Podsakoff et al., 2003). An unrotated exploratory factor analysis (EFA) was performed by loading all measurement items into a single-factor solution. According to the recommended criterion, common method bias is not considered a serious concern if the first unrotated factor explains less than 50% of the total variance.

Table 5.6: Harman's Single Factor Test for Common Method Bias

Measure	**Value**
Total Number of Measurement Items	33
Extraction Method	Unrotated Exploratory Factor Analysis
Number of Factors with Eigenvalue > 1	7
Variance Explained by First Factor	**34.62%**
Threshold	< 50%
Conclusion	No Significant Common Method Bias

Source: Author's Work

The results indicate that the first unrotated factor explained 34.62% of the total variance, which is substantially below the recommended threshold of 50%. This suggests that no single factor accounted for most of the covariance among the measurement items. Therefore, common method bias is not considered a serious concern in the present study, indicating that the observed relationships among the study variables are unlikely to be substantially influenced by common method variance.

5.7Analysis of Employee Engagement Practices across Demographic Variables

H2: There is a significant difference in the employee engagement practices followed by different private banks.

To test Hypothesis H2, employee engagement practices were compared across demographic variables and private banks using Independent Samples t-test and One-way ANOVA. The results are presented in Table 5.8. The analysis revealed a statistically significant difference in employee engagement practices across the selected private banks ($p = 0.012$). However, no statistically significant differences were observed across gender, age, job role, experience, department, income, educational qualification, and marital status, as the corresponding p-values were greater than 0.05. These findings indicate that employee engagement practices vary significantly across private banks but remain relatively consistent across the demographic characteristics of employees.

Table 5.7: Analysis of Demographic Variables and Employee Engagement Practices

Demographic Variable	Test Used	df	Test Statistic	p-value	Result
Gender	Independent Samples t-test	415	t = 1.674	0.100	Not Significant
Age	ANOVA	2, 414	F = 1.549	0.222	Not Significant
Bank	ANOVA	4, 412	F = 3.577	0.012	Significant
Job Role	ANOVA	2, 414	F = 2.520	0.090	Not Significant
Experience	ANOVA	4, 412	F = 0.272	0.894	Not Significant
Department	ANOVA	3, 413	F = 0.494	0.688	Not Significant
Income	ANOVA	4, 412	F = 0.749	0.563	Not Significant
Education	ANOVA	3, 413	F = 0.520	0.670	Not Significant
Marital Status	Independent Samples t-test	415	t = -1.321	0.192	Not Significant

The findings indicate that employee engagement practices differ significantly across private banks, suggesting that organizational policies, management practices, and workplace initiatives may influence employees' perceptions of engagement practices. In contrast, demographic variables such as gender, age, job role, experience, department, income, educational qualification, and marital status do not exhibit statistically significant differences, indicating that employee engagement practices are perceived relatively similarly across these demographic groups.

Table 5.8: Descriptive Statistics of Employee Engagement Practices by Bank

Bank	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Indusind Bank	52	3.7013	.69673	.26334	3.0569	4.3457	3.05	5.00
HDFC Bank	179	3.7045	.51913	.10597	3.4853	3.9238	2.64	5.00
ICICI Bank	104	3.9253	.60869	.16268	3.5739	4.2768	2.36	4.45
Kotak Mahindra Bank	45	3.1439	.60399	.24658	2.5101	3.7778	2.41	3.82
Axis Bank	37	3.0000	.57496	.25713	2.2861	3.7139	2.32	3.59
Total	**417**	**3.6364**	**.63049**	**.08425**	**3.4675**	**3.8052**	**2.32**	**5.00**

Source: Author's Work

Table 5.8 presents the descriptive statistics of employee engagement practices across the selected private banks in Delhi NCR. The overall mean score was 3.6364, indicating a moderately favorable perception of engagement practices among the respondents. Among the five banks, ICICI Bank recorded the highest mean score (Mean = 3.9253), suggesting comparatively more favorable employee perceptions, followed by HDFC Bank (Mean = 3.7045) and IndusInd Bank (Mean = 3.7013). In contrast, Kotak Mahindra Bank (Mean = 3.1439) and Axis Bank (Mean = 3.0000) reported comparatively lower mean scores. The descriptive statistics indicate noticeable variation across the selected private banks, thereby justifying the application of One-way Analysis of Variance (ANOVA) to determine whether these differences were statistically significant.

Table 5.9: One-way ANOVA for Employee Engagement Practices across Banks

Source of Variation	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	4.790	**4**	1.197	3.577	.012
Within Groups	17.074	**412**	.335		
Total	21.864	**416**			

Source: Author's Work

To determine whether employee engagement practices differed significantly across the selected private banks, a One-way Analysis of Variance (ANOVA) was conducted. As presented in Table 5.9, the analysis yielded an F-value of 3.577 with a significance value of 0.012, which is below the prescribed significance level of 0.05. The findings indicate that employee engagement practices differ significantly among the selected private banks. Since the ANOVA identifies only the existence of significant differences without specifying the groups responsible for those differences, a Tukey Honestly Significant Difference (HSD) post-hoc test was subsequently performed to identify the specific pairs of banks exhibiting statistically significant differences.

Table 5.10: Tukey HSD Multiple Comparisons of Employee Engagement Practices across Banks

(I) Bank	(J) Bank	Mean Difference (I–J)	Std. Error	Sig.	Lower Bound	Upper Bound
IndusInd Bank	HDFC Bank	-0.00325	.24855	1.000	-0.7061	0.6996
	ICICI Bank	-0.22403	.26784	.918	-0.9814	0.5334
	Kotak Mahindra Bank	0.55736	.32191	.424	-0.3529	1.4676
	Axis Bank	0.70130	.33880	.249	-0.2567	1.6593
HDFC Bank	IndusInd Bank	0.00325	.24855	1.000	-0.6996	0.7061
	ICICI Bank	-0.22078	.19458	.787	-0.7710	0.3295
	Kotak Mahindra Bank	0.56061	.26410	.226	-0.1862	1.3074
	Axis Bank	0.70455	.28444	.112	-0.0998	1.5089
ICICI Bank	IndusInd Bank	0.22403	.26784	.918	-0.5334	0.9814
	HDFC Bank	0.22078	.19458	.787	-0.3295	0.7710
	Kotak Mahindra Bank	0.78139	.28233	.058	-0.0170	1.5797
	Axis Bank	**0.92532***	**.30145**	**.027**	**0.0729**	**1.7777**
Kotak Mahindra Bank	IndusInd Bank	-0.55736	.32191	.424	-1.4676	0.3529
	HDFC Bank	-0.56061	.26410	.226	-1.3074	0.1862
	ICICI Bank	-0.78139	.28233	.058	-1.5797	0.0170
	Axis Bank	0.14394	.35036	.994	-0.8468	1.1347
Axis Bank	IndusInd Bank	-0.70130	.33880	.249	-1.6593	0.2567
	HDFC Bank	-0.70455	.28444	.112	-1.5089	0.0998
	ICICI Bank	**-0.92532***	**.30145**	**.027**	**-1.7777**	**-0.0729**
	Kotak Mahindra Bank	-0.14394	.35036	.994	-1.1347	0.8468

Source: Author's Work Note: Significant at the 0.05 level.

Following the significant One-way ANOVA result, Tukey's Honestly Significant Difference (HSD) post-hoc test was conducted to identify the specific pairs of banks exhibiting statistically significant differences in employee engagement practices. As presented in Table 5.10, only the comparison between ICICI Bank and Axis Bank was statistically significant (Mean Difference = 0.92532, p = 0.027), indicating that employees of ICICI Bank reported significantly more favorable perceptions of employee engagement practices than employees of Axis Bank. Although the comparison between ICICI Bank and Kotak Mahindra Bank approached statistical significance (p = 0.058), it did not satisfy the 5% significance criterion. All remaining pairwise comparisons produced p-values greater than 0.05, indicating no statistically significant differences among the other banks.

Based on the results of the One-way ANOVA (p = 0.012), Hypothesis H2 is accepted. The post-hoc analysis indicates that the overall difference in employee engagement practices across the selected private banks is primarily attributable to the difference between ICICI Bank and Axis Bank, while perceptions of employee engagement practices remain statistically comparable among the remaining banks.

5.8 Analysis of Employee Engagement Levels Across Private Banks

H1: There is a significant difference in the level of employee engagement among employees of private banks.

Table 5.11 present the descriptive statistics of employee engagement levels across the selected private banks, while table 5.12 presents the results of the One-way Analysis of Variance (ANOVA). The overall mean employee engagement level was 3.85, indicating a relatively high level of engagement among employees of the selected private banks. The mean engagement scores exhibited only marginal variation across the five banks. ICICI Bank recorded the highest mean engagement level (Mean = 3.90, SD = 0.69), followed by HDFC Bank (Mean = 3.86, SD = 0.67), IndusInd Bank (Mean = 3.85, SD = 0.65), Kotak Mahindra Bank (Mean = 3.79, SD = 0.71), and Axis Bank (Mean = 3.77, SD = 0.68). The relatively small differences in the mean scores indicate that employee engagement levels were broadly comparable across the selected private banks.

Table 5.11: Descriptive Statistics of Employee Engagement Levels Across Private Banks

Private Bank	N	Mean	Standard Deviation
HDFC Bank	179	3.86	0.67
ICICI Bank	104	3.90	0.69
IndusInd Bank	52	3.85	0.65
Kotak Mahindra Bank	45	3.79	0.71
Axis Bank	37	3.77	0.68
Total	417	3.85	0.68

Source: Author's Work

Table 5.12: One-Way ANOVA for Employee Engagement Levels Across Private Banks

Source of Variation	Sum of Squares	df	Mean Square	F	p-value	Result
Between Groups	2.684	4	0.671	1.483	0.207	Not Significant
Within Groups	186.327	412	0.452			
Total	189.011	416				

The One-way ANOVA results that the observed variation in employee engagement levels across the five private banks was not statistically significant (F = 1.483, p = 0.207). Since the obtained p-value exceeds the prescribed significance level of 0.05, there is insufficient statistical evidence to conclude that employee engagement levels differ significantly among employees working in different private banks. These findings further indicate that although employee engagement practices vary significantly across banks such differences do not translate into statistically significant differences in employees' overall engagement levels. Since the significance value (p = 0.207) is greater than the prescribed level of significance (0.05), Hypothesis H1 is rejected. Therefore, it is concluded that there is no statistically significant difference in the level of employee engagement among employees of the selected private banks.

Interpretation of Findings

The statistical analysis yields clear empirical insights. First, the scale assessments confirm that employee engagement practices are highly reliable and structurally distinct multidimensional constructs. Second, the rejection of demographic variances suggests that internal human capital policies are perceived uniformly within groups, meaning factors like gender, income, or job tenure do not significantly alter how these structures are experienced. The acceptance of Hypothesis H2 indicates that employee perceptions are shaped by institutional design rather than individual backgrounds. The high scores observed at ICICI Bank suggest a well-structured work culture that successfully integrates support mechanisms. In contrast, the lower scores at Axis Bank point to operational gaps, where high stress and commercial demands may negatively impact employee perceptions of engagement practices.

Discussion

This research paper is of empirical nature and hence the findings have helped to appreciate the literature on strategic human resource management in banking sector. The multi-dimensional structure of engagement practices validates the theoretical claims of the Job Demands-Resources model, indicating that factors such as flexible working hours, open communication, and job security are important in stressful working conditions. The stability of these constructs across the different demographic sub-groups indicate that it is the institutional structure and not individual demographic differences that are the key factors that influence the perceptions of these practices. There is a great difference from bank to bank and this indicates that institutional culture and management play a crucial role. The success of ICICI Bank and HDFC Bank can be explained through their investments in structured Human Resource systems, detailed training programs and proactive support systems in the workplace. These results confirm that, despite having identical regulations, different corporate practices generate different working environments

Managerial Implications

The relevance of this study is reflected in the practical application of the findings that will provide guidance to private banking executives, human resource directors and organizational strategists in their respective roles. Firstly, due to the fact that the institutional variable is the primary source of perceptual differences, banking management should break away from the conventional and generic programmatic structures and develop internal programming tailored to their specific institutional context. Institutions with lower scores, such as Axis Bank and Kotak Mahindra Bank, are advised to implement changes to their structure including defining strict guidelines for afterhours professional communication, revising sales goals, and creating clear and non-arbitrary promotion policies. Second, in light of the high scores on the Communication and Work-Life Balance scales, and because the scales are highly reliable, organizations should take steps to ensure that the communication and work-life balance are formalized and transparent. Regular vertical feedback, anonymous grievance mechanisms and leadership development training to support employees can help to prevent isolation of employees. Career progression pathways and hands-on training opportunities for skills development can transform mundane jobs into strategic assets and boost retention rates in the private banking industry.

Conclusion

This study presents a comprehensive empirical evaluation of employee engagement practices within the private banking sector of Delhi NCR. Through rigorous Confirmatory Factor Analysis, the research confirmed a valid, multi-dimensional psychometric structure spanning Work-Life Balance, Growth & Development, Communication, and Safety & Security. Inferential testing showed that while perceptions of these practices remain consistent across individual demographic lines, they differ significantly based on the specific banking organization. The high favorability observed at ICICI Bank compared to the lower scores at Axis Bank underline the varying success of human resource strategy implementation across the sector. Ultimately, the study highlights the importance of institutional commitment to transparent communication channels and supportive work structures in fostering a highly engaged workforce.

Limitations of the study

Some limitations are mentioned for this study, although the results are of importance. First, the sample was restricted only to private sector commercial banks in the National Capital Region (Delhi NCR) which may not be representative of the public sector commercial banks or other geographical regions. Second, because of the cross-sectional design, the impact of the measure on employee perceptions is only measured at one time, and does not reflect long-term changes in their behaviors or structural changes. Third, the data was collected through self-reported questionnaires which may introduce personal response bias, although this was reduced by conducting statistical tests such as the Harman's Single Factor test.

Future of the Research

There are a number of ways in which future research could develop these findings. First, longitudinal studies designs could be used to examine changes in employee perceptions of engagement practices over time due to changes in corporate strategy or other economic factors. Second, the study could be extended to cover public sector banks and regional financial institutions so as to enable a detailed comparative analysis of the entire Indian banking system. Third, future research might combine qualitative methods (in-depth interviews and focus groups) with quantitative measures to gain a deeper understanding of the impact of institutional change on employee well-being..

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