A Holistic Investigation into Employee Engagement: A Case Study and Some Empirical Evidence from the Irish Securities Services Industry

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Abstract

Employee engagement has been extensively studied for over 30 years. Whilst historically scholars have focused on the correlation between engagement and performance, recent research is shifting towards more pertinent questions and new methods to explore how employees experience engagement and how it is elicited.

The purpose of this dissertation is to carry out a holistic investigation to identify the drivers of employee engagement in a specific department of an organisation within the Securities Services Industry in Dublin; this study also explores how employees get value from the implementation of Human Capital Practices and how internal and external factors impact on their engagement.

The research uses a sequential multi-phase design and employs a deductive approach to measure employees' attitudes and behaviours, whilst qualitative strategies are adopted to explore the lived experience of the employees.

In line with the literature reviewed for this study, the research findings highlight that open communication and trust are the foundations of employee engagement; rewards are important at all levels; and opportunities for growth and progression are the key drivers for employee engagement in the department investigated. These findings are broadly in line with the "engagement drivers" identified in the extant research.

This study also demonstrates that an effective and successful implementation of Human Capital Practices is positively correlated to the level of employee engagement within the department selected for this research.

Offshoring and repetitive work emerge as the main factors that have a negative impact on employee engagement in the department chosen for this study.

This dissertation recommends that employers consider taking a participatory approach in the design and implementation of engagement activities to improve their effectiveness.

In particular, as suggested by Jenkins and Delbridge (2013), organisations should ensure that their HR practices are aligned with their business model and tap into the aspirations and ambitions of their employees.

Declaration

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CHAPTER ONE

1. Introduction

Employee engagement has become one of the top priorities for organisations: this is not surprising since extensive research conducted over the last 30 years shows that companies that have an engaged workforce enjoy higher earnings per share, lower staff turnover and absenteeism, and higher employee and organisational performance (Gallup, 2016).

Consultants and practitioners pioneered the research on employee engagement and historically their focus has been the correlation between employee engagement on and performance, providing organisations with "recipes" for eliciting engagement amongst their workforces (Kular, Gatenby, Rees, Soane and Truss, 2008; Jenkins and Delbridge, 2013; Reissner and Pagan, 2013).

More recent research has questioned the causality and directionality of the variables proposed in earlier studies, suggesting that eliciting employee engagement is not as straightforward as some of the extant research concludes (Jenkins and Delbridge, 2013).

Over the last few years, research on employee engagement has adopted qualitative and mixed methods in order to explore the drivers of engagement and investigate employees' experiences in the workplace (Reissner and Pagan, 2013).

The literature reviewed indicates a focus shift from the correlation between engagement and performance to the impact that the implementation of relevant Human Capital

Practices has on both employee engagement and performance (Vance, 2006).

The purpose of this dissertation is to build upon this emerging approach and contribute to the existing debate by investigating how Human Capital Practices impact on employee engagement in a specific department of an organisation within the Securities Services Industry in Dublin.

In particular, the context chosen facilitates an investigation into how cost challenges and offshoring of core activities, amongst other internal and external factors, impact on employee engagement in the department selected.

This dissertation uses mixed research methods to measure employees' attitudes and behaviours and to explore their experience of engagement activities implemented at department level, whilst also examining how internal and external factors impact on their engagement.

The research uses sequential multi-phase а design (Saunders, Lewis and Thornhill, 2016): it initially employs a deductive approach to test existing theories, and subsequently uses qualitative strategies to explore individuals' perceptions (Yip, cited in Saunders et al., 2016).

This study provides detailed insights into how Human Capital Practices and internal and external factors can influence employee engagement in a department of an organisation that faces cost challenges and offshores some of its core activities.

This dissertation consists of seven sections. Following this introduction, chapter 2 provides an overview of the literature reviewed for the purposes of this study.

Chapters 3 and 4, respectively, discuss the research objectives and the methodologies and philosophies underpinning this study.

The data collected is analysed in chapter 5, and chapter 6 provides a discussion on the findings of this dissertation.

The conclusion, in chapter 7, is that employee engagement is a complex process and research needs to cater for the uniqueness of each organisation. In addition, studies need to consider the perspectives of diverse types of people and take into account how individuals perceive and experience Human Capital Practices differently, and how their psychological state is influenced by internal and external factors.

CHAPTER TWO

2.Literature Review

2.1 Introduction

This chapter starts with an overview of the global changes in the world of work that helps understand the reasons for the ever-increasing interest in employee engagement research. This is followed by a summary of the various definitions of employee engagement adopted in the extant research.

This chapter also uses Maslow's lens to describe the engagement drivers as identified by academics and consultants. Following a brief analysis of the employee engagement outcomes, this chapter concludes by summarising the emerging trends in employee engagement research.

2.2 Global Changes in the World of Work

The substantial changes in the global economy over the last 30 years have had a significant impact on the 2006; Hamel, 2006; workplace (Vance, Covey, 2012): pressing cost challenges have resulted in leaner organisations where restructuring often means a reduction in staff (Vance, 2006).

At the same time, companies operate in an environment where the new generation of workers no longer pursues a job for life, is much less loyal towards the employer (Vance, 2006; Mello, 2011; Ulrich, Younger, Brockbank and Ulrich, 2012; Armstrong, 2014) and is more susceptible to seeking opportunities to join companies that have a "great place to work" reputation (Bersin, Geller, Wakefield and Walsh, 2016). These trends in the global environment have changed the psychological contract with employees: organisations face fierce competition in recruiting and retaining talented staff (Michaels, Handfield-Jones and Axelrod, 2001; Bersin et al., 2016; Vance 2006).

In this challenging environment, the ability to recruit and retain "top talent" represents a strategic competitive advantage for employers (Michaels et al., 2001; Vance, 2006; Piercy; 2009; Bersin, 2015) and research conducted by consulting companies shows that investing in people has become a priority for successful organisations (Pobst, 2014; Bersin, 2015).

Research consulting companies such as Gallup, Deloitte and CLC (Corporate Leadership Council) have been investigating employee engagement for over 30 years: most of their work suggests that organisations which employ a highly engaged workforce are more likely to enjoy higher productivity and their competitors profitability than (Vance, 2006; Robbins, Judge and Campbell, 2010; Moorhead and Griffin, 2010; Haslam, Reacher and Platow, 2011; Yukl, 2013; Baldoni, 2013; Bersin, 2015).

Gallup conducted comparative research on thousands of organisations and found that companies that employ an engaged workforce report higher earnings per share, lower staff turnover and absenteeism, and better quality of work (Gallup, 2016).

Considering that engaging talent in organisations is critical in ensuring that employees exert maximum effort and energy in their daily work (Hamel, 2006; Covey, 2008), it is surprising to observe that engagement scores have consistently been very low in the vast majority of

companies surveyed worldwide over the last few years (Baldoni, 2013; Harter, Schmidt, Agrawal, and Plowman, 2013, Gallup 2016; Bersin, 2015).

These findings, combined with the global trends discussed above, support the conclusion that "no company can win over the long run without engaged employees" (Welch and Welch, cited in Vance, 2006, p. 1). In this climate organisations are under pressure to elicit commitment from their workforces (Bersin et al., 2016) and consulting companies recognise that they are uniquely positioned in the very lucrative "employee engagement" business (Keenoy, 2013).

It is important to note that up to ten years ago, most studies on employee engagement had been conducted by HR practitioners and consultants, and academic research has been slow to catch up (Vance, 2006; Alfes, Truss, Soane, Rees and Gatenby, 2010). However, as academic research becomes more prominent, different views start to emerge: researchers agree that there not all is а direct correlation between employee engagement and organisational performance, and some academics argue that the relationship between engagement and performance is likely be reciprocal (Vance, 2006; Winkler, Köniq and to Kleinmann, 2012; Sparrow, 2013). Others (Missildine, 2015) posit that engagement on its own cannot be the causal independent variable correlated with organisational performance, and believe that understanding the motivations of employees is more important than focusing on their engagement.

Despite the ongoing debate on causality and directionality, there seems to be common agreement that a motivated or engaged workforce is somewhat likely to be

either an antecedent or a consequence of strong performance (Kular et al., 2008).

The review of the academic and consultant literature has highlighted an evident disconnect between their respective bodies of research. The divergence of opinions between academics and consultants is not limited to the causality and directionality of the relationship between employee engagement and performance. Most academics also assert that the view of engagement is fundamentally different in fields: academics still these see engagement as а psychological state, whereas consultants and practitioners regard it as a workforce strategy (Christian, Garza and Slaughter, cited in Truss, Delbridge, Alfes, Shantz, and Sloane, 2013).

addition, considering the uniqueness of In each organisation (in terms of values, culture, mission and organisational citizenship), scholars are also questioning whether the research should focus more on understanding drivers of employee engagement rather than the its correlation to business outcomes (Kular et al., 2008; Reissner and Pagan, 2013; Truss, Shantz, Sloane, Alfes, and Delbridge, 2013).

Taking into account the emerging views on employee engagement research, this dissertation aims at investigating how employees experience engagement and what factors influence their behaviour in the workplace.

To set the context of this research, the following sections provide a definition of employee engagement and analyse its main drivers.

2.3 Definition of Employee Engagement

It is important to define *employee engagement* to better understand why researchers urge organisations to take immediate action to "innovate, transform, and reengineer Human Capital Practices" in the organisation (Schwartz, Bersin and Pelster, 2014).

Most definitions of employee engagement implicitly refer to notions of motivation and commitment and whilst most agree that motivation - defined by Armstrong (2014) as the factor that influences people's behaviours - is intrinsic to engagement (Macey, cited in Armstrong, 2014), it is difficult to outline a clear distinction between commitment and engagement.

Commitment defines the extent to which an individual identifies with the organisation or the job (Armstrong, 2014); Vance (2006) posits that committed people devote energy and time to their job and they also have a rational and emotional attachment to the decisions they make: they have positive feelings about their work and employers, and rationally commit to fulfil a task.

Armstrong (2014) suggests that employee engagement has three overlapping elements: motivation, commitment and Organisational Citizenship Behaviour. This assertion is supported by Haslam et al. (2011) who also argue that leaders should foster "good citizenship" behaviour in their organisations to ensure that employees willingly make sacrifices for the benefit of the company, support each other and build trust in the workplace.

A clear distinction between motivation and commitment is also proposed by Schaufeli, whose Utrecht Work Engagement Scale (UWES) has been very influential in the extant

research; Schaufeli extensively analyses the development of engagement as a construct and suggests that engagement differs from motivation and commitment in that it "reflects a genuine and unique psychological state" of the employee (Schaufeli, 2013, P. 3).

Interestingly, this definition circles back to Kahn, considered by most to be the "founding father" of the concept of engagement (Truss et al., 2013a). Kahn defined engagement as the "harnessing of organisations' members' selves to their work role" (Kahn, 1990, P. 694), and concluded that engaged people "express themselves physically, cognitively and emotionally" (Kahn, 1990, P. 694).

Building on this definition of "personally engaged" employees, Truss, Delbridge, Alfes, Shantz and Soane (2013) also suggest that engaged employees exert additional and discretionary effort in their jobs: their willingness to do more than is contractually required is the result of their emotional and cognitive investment in their jobs (Truss et al., 2013a).

The definition of employee engagement as a psychological state is also evident in the work of Alfes et al. (2010), who postulate that employees engage on three different levels: intellectual (experiencing the satisfaction of doing something better); affective (having positive feelings about doing a good job); and social (actively collaborating with others). Clearly stemming from Khan's work, Alfes et al. (2010) propose that employee engagement is about being "positively present" and willing to contribute at work through intellectual efforts, "experiencing positive emotions" and establishing "meaningful connections" with others (Alfes et al., 2010, page 5).

Most attempts to define employee engagement specifically state that it is not about making employees happy, or paying them more, or making them work harder. Rather, it concerns the facilitation of the discretionary behaviour conditions that allow employees to be more effective and efficient (CIPD, 2010; Tower Perrin, 2003).

It is interesting to note how these definitions are closer to a *workforce strategy* rather than to the description of a psychological state as observed by Christian et al. (cited in Truss et al., 2013a).

Conversely, some consultants do include happiness as a psychological state in their definition of engaged employees: Baldoni (of global consultancy firm N2Growth) defines engaged employees as people who are happy to go to work, understand their role and responsibilities, and clearly see how their contribution impacts on the success of the organisation (Baldoni, 2013). Interestingly, Covey of FranklinCovey (a qlobal company specializing in performance improvement) also mentions happiness, as he believes that engaged employees show cheerful cooperation, heartfelt commitment or creative excitement (Covey, 2008).

Interestingly, consultants tend to provide more succinct definitions, simply stating that engagement relates to employees' involvement, satisfaction and enthusiasm (Harter, Schmidt and Hayes, 2002). Descriptions such as "how people feel about the way things work around here" (Bersin et al., 2016, p. 6) may constitute an attempt to provide an appealing and striking way of defining engagement.

For the purpose of this dissertation the following definition of engagement provided by Kellerman and Hamel will be used.

Paraphrasing Drucker, Kellerman (2009) argues that engaged employees need to be empowered to make decisions and exert their influence in the organisation. These loyal, competent and committed "knowledge workers" are passionate about their work and - as free agents - they are eager to make the difference in the performance and - by reflection - profitability of the organisation (Kellerman, 2009).

Hamel (2006) also proposes a similar definition of engaged employees and maintains that they are workers who take the initiative, show creativity or behave with passion and zeal (Hamel, 2006).

Regardless of the definitions that consultants, practitioners and academics adopt, it is clear that all the aforementioned behaviours are desirable in the organisation and this is corroborated by Bersin (2015), who asserts that business leaders can gain a competitive advantage if they manage to successfully recruit top talent and retain highly engaged and motivated employees.

Most of the literature reviewed suggests that once the definition of engagement is provided and accepted, the next important step for organisations is to understand the drivers of engagement.

The following section provides an overview of the different perspectives taken by academics and consultants when analysing employee engagement drivers; it also attempts to analyse the main engagement predictors through the lens of Maslow's hierarchy of needs.

2.4 Drivers of Employee Engagement

2.4.1 Perspectives of Academics and Consultants

Researchers, academics and consultants use different terminology to define the drivers of engagement. For reasons of clarity, in this dissertation **drivers** and **predictors** will be used interchangeably as synonyms. The common denominator in the extant studies reviewed is that researchers are attempting to investigate what drives engagement, and what leaders, HR practitioners, linemanagers and employees can do to stimulate engagement in the workforce.

Throughout this thesis, strategies to engage employees or to tap into the drivers of engagement are also referred to as Human Capital Practices or engagement activities.

The argument that current academic research puts forward is that it is crucial to understand the predictors of employee engagement in order to implement relevant policies and practices that will generate higher levels of engagement.

Academic research focuses on investigating and identifying specific and narrow concepts as the key drivers of employee engagement; this approach allows scholars to define, observe and investigate these drivers with relative ease.

On the other hand, consultants and practitioners include broader concepts in their employee much engagement strategies; elements such as "mission, values and contribution society", and "culture to and work environment" (Bersin et al., 2016) are much more abstract and difficult to implement. Interestingly, whilst Bersin et al. (2016) and Gallup (2016) are able to succinctly

highlight the new drivers of "employee brand and employee passion", they fail to provide an adequate definition of employee engagement and a meaningful description of its drivers.

The introduction of broad concepts that are more difficult to define as employee engagement drivers, and an apparent eagerness to provide solutions that can be applied as a panacea in all organisations, are a matter of concern for academics who claim that the "catch-all" approach of consultants conceals an agenda of making employee engagement a profitable business (Keenoy, 2013).

Recent academic research is more concerned with purely investigating, observing and critically discussing recommendations findings. and Examples come from interesting and diverse theories that analyse the predictors of employee engagement; some scholars suggest that employee engagement can be explained by the rationale social exchange theory: when commitment of the and discretionary efforts are reciprocal, а two-way relationship is established and employees willingly choose to repay the organisation by increasing their level of engagement (Saks, 2006; Robinson, Cited in Armstrong, 2014).

The literature reviewed and the extensive body of research conducted by practitioners presents hundreds of employee engagement drivers (Vance, 2006) and contains extensive discussion of employee engagement predictors and their multiple and intertwined facets.

Most of the drivers debated in the current literature cannot be analysed as stand-alone predictors of employee engagement; they are often interlinked and should be analysed together to clearly depict the findings the

literature has evidenced so far. For instance, "development", "opportunities", and "growth" are generally identified as key predictors of employee engagement; it can be argued that all these add to the "meaningfulness" employees see in their jobs and each element is often the antecedent or the consequence of the other.

In order to provide a logical summary of all these views, the main drivers of engagement identified in the extant research have been grouped together into broader categories; this dissertation also uses Moorhead and Griffin's (2010) adaptation of Maslow's hierarchy of needs to outline and group the main drivers of engagement.

2.4.2 Maslow's Lens

The research on employee engagement reviewed in this study suggests that companies should ensure that their human capital strategy is aligned with the motivation needs of their employees. In the first instance, employees' physiological and security needs have to be addressed, ensuring that compensation is competitive and that employees feel secure and safe in the work environment. The next step is to ensure that their sense of belonging and esteem needs are met in a supportive work environment where they are recognised for their efforts and results. However, the highest level of motivation is generally achieved when self-actualisation needs are met (Moorhead and Griffin, 2010) and employees achieve a sense of "autonomy, mastery, and purpose" (Pink, cited in Bersin, 2015, p. 151).

2.4.2.1 Physiological Drivers

Financial Rewards

In Moorhead and Griffin's (2010) adapted version of Maslow's hierarchy of needs, the authors hypothesise that

organisations meet employees' physiological needs by guaranteeing adequate compensation for their services.

The large body of research conducted over the last decade provides sufficient evidence to suggest that employees are much less motivated by extrinsic factors than intrinsic ones (Robbins et al., 2010; Moorhead and Griffin, 2010; Haslam et al., 2011; Yukl, 2013); taking into account these views, it can be argued that esteem and selfactualisation needs are generally correlated with employee engagement.

This would support the conclusion that in the "knowledge workers" era, compensation is a hygiene factor (Yukl, 2013) and employers cannot afford to offer uncompetitive salaries (Bersin, 2015). When compensation is fair, all other engagement strategies become much more meaningful because employees are more motivated by "job satisfaction, empowerment, sense of achievement, success and happiness in the workplace" (Bersin, 2015).

A leadership perspective is also provided by Cates (2016) and Vidotto (2016), who affirm that **money** is not a motivator and does not guarantee happiness; leaders keen to elicit engagement in their workforce should invest in their employees and focus on trust and clarity, (Cates, 2016). This view is expanded on by Cooper (2015) who warns employers that in order to retain talented individuals, organisations can no longer afford to look at basic salaries and benefits but have to tap into both the extrinsic and intrinsic motivations of their employees.

A different view is provided by Vance (2006), who offers an employee perspective and suggests that compensation can be powerful in enhancing commitment and engagement. Vance

makes an interesting distinction and observes how different compensation strategies can appeal to different employees: eliciting commitment to stay (for instance if the employer offers generous retirement benefits), or encouraging engagement (if "pay for performance" is highly valued by workers).

Notwithstanding the different views on financial reward, it is clear that inadequate or unfair compensation is detrimental to employee engagement. It can be argued that rewards are a multifaceted predictor of employee engagement at various levels in the hierarchy of needs: as employees achieve esteem and self-actualisation, they also demand higher salaries that are commensurate to their efforts and contribution (Blass, Brockhoff and Oliveira, 2009).

Financial rewards are a powerful draw and employees value adequate, fair and competitive compensation (Rigoni and Nelson, 2016; Bersin, 2015): this is the basis for a trustful relationship between employer and employees (Bahr Thompson, 2015).

2.4.2.2 Security Drivers

Trust

Thompson (2015) links compensation to trust Bahr and posits that trust is the first element that needs to be in place in order to foster faithful relationships with employees. In her contribution to HBR's Culture Q project, Bahr Thompson postulates that employers should treat staff as customers; interestingly, this HR perspective is in leadership standpoint sync with the provided by consultants who consider trust to be the most important driver of engagement (Covey, 2012; Bersin et al., 2016; Cates, 2016).

Bersin et al. (2016) specifically refer to "trust in organisational leadership" and this seems to be echoed by Cates (2016) and Covey (2012) who call for organisations to align their policies to the values that they want to instil. A misalignment would be perceived by employees as a lack of belief in those values, and - as a result employees will not commit to the organisational goals (Cates, 2016).

Notably, whilst some consultants simply advance concise concepts that resonate with their clients, academics tend to expand on the concept of trust. For instance, Covey (2012) merely states that "trust is all that matters", whereas other researchers dwell on the concept by explaining that vision and communication is a key driver of engagement (Alfes et al., 2010): leaders who want to engage their employees need to be transparent in sharing their vision and the organisational goals (Vidotto, 2016).

Considering the numerous definitions of employee engagement, it should be noted that most scholars and researchers still use "commitment" and "engagement" as interchangeable terms; semantics notwithstanding, it is important to acknowledge that there seems to be general agreement that trust is the foundation of engagement (or commitment), and needs to be established in order to tap into the intrinsic motivations of employees.

These motivations are discussed in the following three sections.

2.4.2.3 Belongingness Drivers

Supportive Work Environment

Kindness and support are mentioned by researchers as key drivers for engagement: employees who perceive their leaders and organisations to be kind and caring are more likely to be engaged (Seppälä, 2016). This view seems to support the application of the Social Exchange Theory advocated by Saks (2006), who states that employees who have high "Perceived Organisational Support" and "Perceived Supervisor Support" reciprocate by fulfilling their obligations with enhanced engagement.

Field studies have revealed a significant correlation between considerate employers and employee performance; Bersin (2015) suggests that in the current business environment, organisations need to be supportive of employees and willing to agree flexible work arrangements for them. Support in the work environment can arguably also be demonstrated by providing extra services for free to the employees (e.g. complimentary food, gym, pool, and laundry services).

Significantly, there is disagreement in relation to the effectiveness of these incentives: some consultants suggest that these are no longer just "perks", rather they are essential elements of making work fit into the employees' lives (Bersin, 2015). However, others suggest that these "gimmicks" do not work because employees are largely motivated by the possibility of working for a successful organisation where they can make a difference: their motivation comes from a shared sense of purpose and achievement rather than the opportunity to work in a "happy place" (Hamm, 2006).

Seppälä (2016) emphasises the connection between supportive work environments and employee well-being, postulating that leaders who instil a culture that encourages employees to take care of themselves and to improve their work-life balance are also able to rely on a much more efficient and engaged workforce.

Well-being initiatives can help employees live healthier lives and this has a positive impact on their engagement (Rigoni and Nelson, 2016). At the same time, engaged employees are also more likely to make better health choices and this reflects positively on their performance (Harter and Adkins, 2015).

The general consensus in the literature reviewed is that a supportive work environment that also promotes the wellbeing of employees is a powerful predictor of employee engagement.

Fairness

Fair behaviour on the part of the employer is another driver that elicits employee engagement (Bahr Thompson, 2015). Particular emphasis is given to ethical and respectful behaviour, which is the basis for instilling a sense of belonging in a cultural environment that reinforces the organisation's values. It could be argued "proposition" is significant that this in eliciting employee engagement: employees who feel they belong to a community (the organisation) are also given the opportunity to elevate their contribution to the external environment where organisation and employees alike contribute to the benefit of the wider community (Mello, 2011; Armstrong, 2014).

Interestingly, this is a concept also explored by Moorhead and Griffin (2010), albeit in different terms: in their adaptation of Maslow's hierarchy of needs they see selftranscendence as the fulfilment of an individual's goals. Similarly, Bahr Thompson (2015) argues that employees achieve a full sense of shared responsibility when their employer is socially responsible and takes the initiative to resolve (or attempt to resolve) society's challenges.

Most of the literature reviewed in this dissertation only superficially alludes to the social responsibility of employers; this suggests that other researchers and academics - perhaps observing that most employees are not engaged - believe that a gradual process of engagement that moves across each level of the hierarchy of needs is a more appropriate approach at this point in time. In a not too distant future, social responsibility might ideally become one of the main drivers of employee engagement.

powerful Fairness and support can be drivers of engagement, especially in countries where belongingness needs are very important to employees (Moorhead and Griffin, 2010); however, it is important to note that in more individualistic cultures, esteem and selfactualisation drivers are more powerful (Moorhead and Griffin, 2010). These drivers are analysed in the following sections.

2.4.2.4 Esteem Drivers

Recognition and Feedback

Most of the extant research identifies recognition and feedback as very important drivers in eliciting employee engagement.

Interestingly, some studies focus specifically on the leadership perspective of providing "clarity" (Cates, 2016), whilst others give a much broader definition of feedback that goes beyond providing direction and also includes acknowledgement and praise for good work (Bahr Thompson, 2015) and recognition for the employee's contribution (Vance, 2006).

Leaders who clearly articulate expectations and give positive and negative feedback to employees are able to put their workforce in a position to consistently understand what is required of them (Cates, 2016); employees who have clarity on their role and goals are more likely to be engaged (Cates, 2016; Vidotto, 2016).

Conversely, lack of direction, feedback or clarity can be highly detrimental to employee engagement (Vance, 2006; Alfes et al., 2010; Bersin, 2015; Cates, 2016; Vidotto, 2016).

The practitioner literature prescribes policies that promote constant feedback, and performance management programmes that are designed to provide guidance, direction and recognition (Price, 2007; Mello, 2011; Ulrich et al., 2012; Armstrong, 2014).

Expressing gratitude for the efforts and results achieved by the employee taps into the esteem needs of individuals, who feel more engaged because they value recognition for a job well done (Moorhead and Griffin, 2010).

Vidotto (2016) and Vance (2006) argue that praise, recognition and feedback should become part of the everyday life of employees and line managers. Sharing feedback and offering praise contributes to a much more positive culture in the organisation and elicits employee

engagement (Vidotto, 2016); this explains why several organisations regard *Performance Management* as the most effective tool for fostering employee engagement (Vance, 2006).

Through *Performance Management* programmes managers can get "buy-in" from employees by asking them to set out their own specific, clear, achievable and challenging goals; this improves the performance of employees (Yukl, 2013) and also allows them to understand how their achievements contribute to the results of the organisation.

This is particularly significant when the results of deserving employees are recognised by employers, who provide development opportunities for ambitious staff who are keen to make an even bigger contribution to the organisation's success. These employees develop a sense of mastery and purpose that positively impacts on their engagement (Pink, cited in Bersin, 2015).

It is interesting to observe how recognition and feedback are interwoven with purposeful communication in the organisation (Vidotto, 2016).

is transparent communication essential in Open and organisations that want to elicit engagement and tap into the esteem and self-actualisation needs of employees. Vidotto (2016) espouses this concept and suggest that leaders should share information with employees to keep them "in the loop" on what is going on in the organisation.

This elicits more involvement from "knowledge workers" who value working in a collaborative and "transformational" environment (Robbins, Judge and Campbell, 2010; Yukl, 2013).

Employees who are included in the decision-making process are highly motivated and feel that they "own" the results of their work; these employees are more likely to be driven by self-actualisation needs.

2.4.2.5 Self-Actualisation Drivers

Meaningfulness

Most of the authors referenced in this dissertation agree that meaningfulness - a concept that encompasses development, opportunities, and growth - is one of the most important drivers of employee engagement (Vance, 2006; Alfes et al., 2010; Bersin, 2016).

Employees who comprehend how their work contributes to attaining organisational goals can perceive meaningfulness in their roles, and are more likely to be engaged (Alfes et al., 2010).

Seppälä (2016) asserts that leaders should ensure that employees are reminded of how their work is **meaningful** to the organisation and all its stakeholders. Shared vision and purpose makes employees more focused and creative (Seppälä, 2016), and gives them a solid basis for understanding how they fit in with the organisation (Vidotto, 2016).

Engaged employees have been found to define their jobs more broadly, consequently increasing the scope and responsibility of their roles; this makes them more likely than other employees to take ownership and accountability for tasks that go beyond what is prescribed in their job description (Vance, 2006).

This attitude is helpful to organisations that want to elicit employee engagement by **enriching jobs**, making them

more meaningful and empowering employees to perform more tasks autonomously (Vance, 2006; Baldoni, 2013).

Job Enrichment

A study conducted by Spreitzer in 1995 found that employees feel more empowered if their work achievements are in line with their values, and if they are placed in a position to decide autonomously how their goals will be achieved (Yukl, 2013).

Employees who have the possibility to be involved in diverse tasks and have more autonomy on how to perform them are generally more engaged (Moorhead and Griffin, 2010).

Enriching jobs is also a way to attract and retain talented staff: however, additional responsibilities should be complemented with a commensurate salary increase to reduce the likelihood that staff who improve their core competencies are "lured away to other companies" (Yukl, 2013, p. 129).

Interestingly, the concept of enriched jobs has expanded into the notion of "employees as entrepreneurs" in the workplace: consultants and academics suggest that employees are a valuable resource for innovative ideas leaders should foster creative thinking and inspire employees to become entrepreneurs within the organisation in order to gain a strategic competitive advantage in the market place (Skarzynski and Gibson, 2008; Fifield, 2008; Piercy, 2009; Hill, 2013; Sullivan, Garvey, Alcocer and Eldridge, 2014; Bersin, 2015).

Organisations need to adapt quickly to the new reality of "free agent employees" and ensure that their workforce is

well-positioned to find gratification in the workplace, through "passionate and creative contribution" (Bersin, 2015, p. 148).

However, it should be noted that employees feel gratified when organisations provide opportunities for growth and development and - crucially - when their contributions are rewarded with competitive pay, flexibility and opportunities to progress (Vance, 2006).

2.4.3 Conclusion

Through a review of some of the extant literature, this dissertation has attempted to provide an overview of the key predictors of employee engagement; academics and consultants agree that employee engagement is generally associated with organisational performance and (with emphasis) researchers different most suggest that companies should implement the relevant HR practices that elicit employee engagement.

The literature reviewed in this thesis refers to a remarkable number of strategies identified in the extant research; however, notwithstanding the relevance academics and researchers generally attribute to the drivers of engagement, they generally concur that to motivate employees, organisations need to take a holistic approach and ensure that their focus is not limited to a selected number of drivers only (Bersin, 2014; Cooper, 2015).

The recurring areas of focus have been summarised in this dissertation and comprise: rewards; trust; support; recognition; and meaningfulness.

Interestingly, *building trust* has been identified as the key driver for engagement; however, employers should also focus their strategies on how to appeal to competent

employees in order to cultivate and develop their strengths - this is essential for eliciting employee engagement (Cutler, 2014).

Extant research has also found that engaged employees are committed to the organisations they work for and represent a strategic competitive advantage, contributing to higher productivity and resulting in higher retention of "profitable" employees for these companies (Vance, 2006).

The outcome of employee engagement is analysed in the following section.

2.5 Outcome of Employee Engagement

There seems to be general consensus between researchers that "engaged employees are more attentive and vigilant" than their peers (Harter, cited in Baldoni 2013), and that they are more productive and less likely to leave the organisation (Vance, 2006; Mello, 2011).

High levels of employee engagement in the organisation have also been associated with positive outcomes such as reduced absenteeism and higher quality of work, when measured in terms of defects, error rates, increases in sales, profitability, and customer satisfaction (Vance, 2006; Stairs and Galpin, 2013; Gallup, 2016).

In addition, some researchers also observed that engaged employees show higher levels of well-being and interestingly, sustainability; they perceive their workload as more manageable compared to their less engaged colleagues (Vance, 2006; Alfes et al., 2010; Rigoni and Nelson, 2016; Seppälä, 2016;).

Engaged individuals seem to be more connected to their work: they are likely to be more involved and more

conscientious, and consequently they simply do a better job than non-engaged employees. They are also more innovative and creative, constantly thinking about how to improve processes and work smarter (Alfes et al., 2001).

The research conducted by consultants corroborates these results and also provides an insight into how these outcomes affect the performance and profitability of the organisation.

Gallup, "a pioneer in the employee engagement movement" 2016) accumulated studies of (Gallup, almost 50,000 organisations and business units and 1.4 million employees world; their across the meta-analysis found that organisations whose employees are highly engaged have earnings per share that are 147% higher than their competitors. Other key indicators such as staff turnover rates, quality defect rates, shrinkage rates and absenteeism records also show that organisations with highly engaged employees consistently outperform their peers (Harter et al., 2013).

Gallup (2016) suggest that an engaged workforce is a way to increase profitability in the organisation; their conclusion, reiterated by Bersin (2015) and Schwartz et al. (2014) is that leaders should take action to engage staff in order to make a meaningful impact on "the bottom line".

These findings support the view that "top talent" boosts the performance of the organisation and that employers should "do everything [they] can for them to ensure that they are engaged and satisfied - even delighted" (Michaels et al., 2001, page 131).

It is interesting to note that consulting companies take a "managerialist approach" (Jenkins and Delbridge, 2013) and perceive employee engagement as a lever for competitive advantage — to boost company productivity and to recruit and retain top talent (Cheese, Thomas and Craig, 2008), whereas academics take a more cautious and scientific approach by questioning the causality and directionality between engagement and performance.

The emerging academic research openly questions the generalisability of the meta-analysis results and the hidden agenda of consulting companies (Keenoy, 2013), and requires that different approaches be adopted in the research on employee engagement.

The following section focuses on critiques of employee engagement research and on the emerging trends that question the hypotheses, methods and contexts analysed in the extant research.

2.6 Emerging Trends in Employee Engagement Research

The emerging academic research suggests that more pertinent questions are needed and that new methods should be applied in specific contexts in order to understand how employee engagement is experienced, how it is generated and what its outcomes are.

Academics and practitioners generally agree that there is a relationship between employee engagement and organisational performance (Kular et al., 2008).

In earlier research, Harter et al. (2002) had acknowledged that more longitudinal research conducted at business unit level, including a **qualitative analysis** of highperformance business units, could contribute significantly

to the existing body of research, as well as aiding understanding of the causality and directionality issues they evidenced in their studies (Harter et al., 2002).

At the same time, even though Gallup's research concludes that a reciprocal relationship may exist between the two variables (Harter et al., 2002), they maintain that the evidence they collected strongly supports the causality and directionality postulated in their initial hypothesis (Harter et al., 2013; Gallup, 2016).

Academics, however, argue that the common themes related also be considered drivers to engagement can of performance (Vance, 2006). With this in mind, it can be argued that effective Human Capital Practices place employees in the best position to perform well, and - when recognition for results follows suit - this also has a positive impact on employee engagement.

Sparrow (2013) proposes that being part of a high performing team might cause employees to be more engaged, rather than the other way round. This suggests a reverse causation in the variables analysed, which, it can be argued, calls for further investigation and research.

At the same time, it can be argued that employees who are provided with the support needed to achieve their goals are more engaged, which results in higher performance.

As the debate on causality continues, and notwithstanding the reciprocity of the two variables assumed by many academics and researchers (Harter et al., 2002; Saks, 2006), it must be noted that employee engagement is not necessarily an automatic employee response to the implementation of Human Capital Practices (Reissner and Pagan, 2013) - the current research may have an

"optimistic expectation" that Human Capital Practices (or engagement activities) generate employee engagement (Reissner and Pagan, 2013).

Essentially, criticism of the causality and directionality theories postulated in some studies serves to highlight the limitations of the extant research and suggests that researchers have yet to explain how employee engagement is generated.

Delbridge (2013) question the Jenkins and existing literature and affirm that eliciting employee engagement is straightforward as some academics not as and practitioners assume in their studies; they argue that should pay organisations and researchers alike more external and internal attention to the factors that influence the unique organisational context of each business, in order to understand what impact these factors have on employee engagement.

Jenkins and Delbridge (2013) also criticise the use of "highly contested and normative features" to measure employee engagement and suggest that this is perhaps one of the explanations for the high number of disengaged employees in contemporary organisations.

It is worth noting that, in deep contrast to the recommendations made in the consultants' reports, Human Capital Practices cannot be uniform and universal because of the unique position of each organisation and the impact that the external and internal context has on them.

Organisations should not seek to implement "best practice" in HRM, rather they should develop effective practices that are truly integrated and aligned with the business model of the organisation (Cheese et al., 2008; Jenkins
and Delbridge, 2013). These HR practices - particularly employee development strategies - should be flexible to cater for the specific skills and aspirations of all employees, to enable them to fulfil their potential and achieve their ambitions within the organisation (Garonzik and Larrere; 2011).

Additional criticism of the existing body of research is included in the work of Reissner and Pagan (2013), who suggest that the extant research lacks clarity on three key points: what exactly employees engage with; how employee engagement is generated through Human Capital Practices; and how employees actually experience employee engagement activities delivered by HR and line managers.

Reissner and Pagan (2013) claim that the gaps in the research are also attributable to the methods adopted by scholars and practitioners: a quantitative approach allows researchers to measure attitudes and behaviours displayed by engaged employees as well as the outcomes of employee engagement; however, researchers should adopt qualitative methods in order to understand how organisations "seek to generate" employee engagement and how employees respond to and experience these practices (Reissner and Pagan, 2013).

The emerging body of academic research questions whether the right variables have been measured in the studies conducted by practitioners and consultants. Observing that there is scant research on the predictors of engagement (Kular et al., 2008), scholars have also noted that most of the research has been conducted using quantitative methods - further studies that adopt qualitative and case study methodologies could add significantly to the existing body of research (Truss et al., 2013b). Consultants, who historically conducted extensive research relying on quantitative methods, also agree that future research should focus on causality, with an emphasis on teams or departments, since more evidence can be gathered from a qualitative analysis of high-performing business units (Harter et al., 2002).

Considering these views, it can be concluded that most academics and consultants seem to agree that there are gaps in the extant research.

It can be argued - when exploring a topic such as employee engagement - that the academic stance towards investigating "experiences" is perhaps the most tortuous route but also the right approach for providing relevant answers to organisations.

The "managerialist approach" adopted by consultants is somewhat limited in its aim to provide generalizable results that can be applied universally, regardless of the unique position of each organisation.

The argument made in this dissertation is that a study which focuses on employee experience, in a specific and unique context, will contribute to the existing body of research by investigating what drives engagement and how Human Capital Practices and internal and external factors impact on employee engagement.

The following section provides details of the aims and objectives of this study.

CHAPTER THREE

3. Research Aims and Objectives

3.1 Research Question and Hypothesis

The purpose of this dissertation is to holistically investigate employee engagement in a specific department ("the Department") of an organisation within the Securities Services Industry in Dublin ("the Company").

This dissertation aims to contribute to the emerging debate on employee engagement by analysing the interdependence of engagement predictors, Human Capital Practices and other factors, internal and external to the Department, and how they collectively affect employee engagement.

It also investigates the main drivers that are likely to impact on an employee's propensity to engage; accordingly, the first question formulated in this thesis is:

a. What are the key drivers of employee engagement in the department selected?

For the purpose of this research, it is important to note that following the annual employee engagement survey completed in July 2015, senior management set up focus groups to discuss the results with all employees within the Department.

Areas of strength and improvement were discussed with a view to verifying - through a bottom-up approach - the key drivers of engagement and the Human Capital Practices that tap into the needs of the employees within the Department. This approach ensures that the strategy chosen is relevant

to the employees, thus avoiding the risk of focusing on engagement drivers that do not appeal to employees (Baldoni, 2015).

The purpose of this study is to identify the drivers of engagement in the Department; this is done through qualitative research conducted independently from the months Department, several after the focus groups initiative was completed.

This research also focuses on how employees experience the engagement activities implemented at department level. Taking into account that the focus groups allowed the Department to revalidate its strategy and identify which key Human Capital Practices to implement, this research formulates the following hypothesis:

b. The effective and successful implementation of Human Capital Practices will be positively correlated to the level of employee engagement within the Department.

The assumption made in this formulation is that a "bottomup validation" approach allows the Department to identify Human Capital Practices that are relevant to the employees. This assumption stems from the contemporary literature which suggests that people managers who adopt a participatory approach in the design and implementation of engagement activities better understand employee needs and the drivers of employee engagement (Mello, 2011; Yukl, 2013; Armstrong, 2014).

In the context selected, employees actively contribute to the identification and implementation of Human Capital Practices; this approach could lead to positive results in terms of improving employee engagement (Alfes et al., 2010; Vidotto, 2016).

It is also expected that the interviews with employees will provide revealing insights into how they actually experience the execution of engagement activities: both in terms of how effectively the activities are applied, and also relating to how employees respond to the practices implemented.

The expected outcome of this investigation is that the successful and effective implementation of Human Capital Practices that specifically tap into the needs of employees will result in positive experiences reported by the employees.

The holistic study of this dissertation is completed with an investigation into the internal and external factors that can affect employee engagement in the Department. The second and third questions formulated in this thesis are:

c. Which internal and external factors impact on employee engagement?

d. How do the identified internal and external factors impact on employee engagement?

In the Securities Services industry in Dublin several competitors of the Company are outsourcing or offshoring some of their core functions: this is a cause for concern for many employees. The industry is also facing unprecedented challenges from the Regulator, and cost challenges are prominent on the agendas of organisations operating in the financial services sector. All these factors are expected to emerge from the qualitative research.

This study uses a mix of quantitative and qualitative research methods to answer the questions formulated in this section. These are discussed in detail in chapter 4.

The next section analyses the context in which the research was conducted.

3.2 Context

The research was conducted in the Fund Administration Department of a Dublin-based multinational that provides Securities Services to a wide range of international clients.

The Company's senior management and HR have agreed to allow the research to be conducted in the Fund Administration Department, which comprises 85 people; the name of the Company is not disclosed in this dissertation as the Company wishes to remain anonymous.

The context chosen is significant because the Funds industry in Dublin has been going through a substantial transformation process since the beginning of the financial crisis in 2008.

Even though the Funds industry has been steadily recovering since 2010, and Assets Under Administration in Ireland have more than doubled between 2011 and 2015 (Irish Funds, 2015), the increased regulations represent a significant cost challenge for the industry.

The current macroeconomic environment poses further significant challenges and, in order to contain costs, several administrators, including the Company, have been outsourcing or offshoring activities to Asia or Eastern Europe and have been reducing staff numbers onshore for a number of years (Forrester, 2012).

Employees working in organisations that offshore some of their core activities are concerned about job security and opportunities for development in their careers.

In addition, the unfolding of global events continues to disrupt the industry; the consequent volatility of the markets creates yet more uncertainty, and at the same time regulatory scrutiny across the Financial Services the Industry continues to increase. In this environment, organisations face unprecedented challenges and managing change effectively has become an imperative, particularly considering that constant change can be unsettling for employees, and can sometimes affect them negatively.

The challenging environment in which the Fund Administration Department operates provides a fascinating context for this research because of the rich variety of internal and external factors that impact on employee engagement.

The literature reviewed suggests that organisations facing these challenges can demonstrate a real commitment to employees by meeting their physiological their and security needs (as discussed in chapter 2); this can be achieved only when management are entirely transparent and clarity to employees in relation provide to the organisation's long term goals.

Employee engagement is then attained through the implementation of innovative strategies that tap into the employees' needs for job satisfaction, empowerment, sense of achievement, hunger for success and happiness in the workplace (Bersin, 2015).

This dissertation also investigates how the implementation of Human Capital Practices impacts on employee engagement in the specific context chosen.

which Considering the context in this research is conducted, this work contributes to the extant research on levels: by investigating exactly how employees three experience engagement activities; by applying a mix of quantitative and qualitative research methods in this study; and through the selection of the Department as a context in which to test the hypotheses and questions formulated by the extant research.

3.3 Contribution to Existing Research

The majority of research on employee engagement has been conducted by measuring employee attitudes and behaviours, comparing these results with employee and and organisational performance. Some researchers have found a positive correlation between employee engagement and performance of the organisation (Harter et al., 2013). Others suggested а reverse causality between have performance and engagement (Vance, 2006; Sparrow, 2013), whereas most acknowledge an interdependence between the two variables (Kular et al., 2008).

A slightly different approach is proposed by Vance (2006), who suggests that Human Capital Practices influence both employee engagement and organisational performance, with the effects of the two dependent variables producing higher business results.

However, the results of this type of research do not provide companies with concrete answers and actionable solutions. Quantitative hypotheses that suggest a correlation between successful and relevant Human Capital

Practices and employee engagement and performance should be complemented with investigative questions that explore how employees respond to the implementation of such practices, whilst also assessing how external and internal factors influence employee engagement and performance.

Echoing Reissner and Pagan (2013), this thesis suggests that additional contributions to the extant research can be achieved by using mixed studies and argues that organisations should measure the effectiveness of their practices rather than studying the correlation between engagement and performance.

Mixed studies are advocated in the emerging literature: Fletcher and Robinson (cited in Truss et al., 2013a) suggest that studies are adopting a more qualitative approach of late - a combination of quantitative and qualitative research method approaches is welcome, in their opinion, as this "could lead to generalizable findings alongside deep insights into the context of engagement" (Truss et al., 2013b, p. 2665).

In addition, Truss et al. (2013b) note that little is known about research on employee engagement conducted at group or department level: they postulate that additional research in this specific area would contribute to the current knowledge in this field.

The rationale behind conducting the research at department level can also be justified by the need to assess the generalizability of the extant research findings. Further and narrower research is required in order to understand the way in which results may differ depending on certain factors: the employees' demographics, their values, the

industry and organisational culture, and the specific economic environment in which the organisation operates.

In summary, the literature reviewed suggests that research that adopts mixed methods and asks more qualitative questions, in smaller-scale contexts, is needed in order to contribute to the existing studies.

The following chapter describes the research methodology used in this study and outlines the rationale behind the philosophy and approach chosen in this dissertation.

CHAPTER FOUR

4. Research Methodology

This section describes the research methodologies and philosophies underpinning this study.

It is important to note that this thesis also utilises data collected independently by the Company and the Department before this study was conducted.

The following table depicts the design of the research and also shows the parties responsible for each phase of the research data collection.

Table 1

Design	Date	Data	Epistemological	Approach
		Collection	position /	
		and Analysis	philosophy	
Survey (1 st)	July 2015	Company	Positivist	Deductive
Focus Groups	November	Department	Interpretivist	Inductive
	2015	and		
		Researcher		
Survey (2 nd)	July 2016	Researcher	Positivist	Deductive
Interviews	July 2016	Researcher	Interpretivist	Inductive
			(Phenomenology)	

Figure 1 also shows how each stage of the research study addresses the questions discussed in chapter 3.

Figure 1

Focus Groups	Survey	Interviews
•Validate Human	•Quantitative	•Identify Employee
Capital Practices	measure of Employee	Engagement Drivers
• Identify key	Engagement	•Evaluate the
Engagement Drivers		success of Human
		Capital Practices
		•Qualitative measure
		of Employee
		Engagement
		(triangulation)
		•Identify internal
		and external
		factors that impact
		on Employee
		Engagement

The first survey was rolled out by the Company to measure employee engagement in July 2015.

Subsequently, the Department arranged for focus groups to discuss the effectiveness of the Human Capital Practices implemented.

In July 2016, a survey was rolled out to obtain a longitudinal measurement in order to map change (Bryman and Bell, 2011) in employee engagement.

The interviews represent the bulk of the research activity and were designed to:

- explore the engagement drivers in the Department;
- evaluate engagement of interviewed employees;

- gather interviewees' opinions on Department engagement;
- assess the effectiveness of the engagement activities;
- discuss the external and internal factors that can influence employee engagement.

Each of the aforementioned research methods is discussed in detail at the end of this chapter.

4.1 Research Philosophy and Approach

The research uses a sequential multi-phase design and combines deductive and inductive approaches (Saunders et al., 2016).

A deductive approach (Bryman and Bell, 2011) is taken to measure employees' attitudes and behaviours. However, the methods adopted in this dissertation research are predominantly qualitative and an inductive approach is dominant. Qualitative strategies are adopted to explore individuals' perceptions (Yin, cited in Saunders et al., 2016) and inductive methods are used to explore the nature employee engagement and to interpret the of lived experience of the employees.

The rationale for this choice stems from the nature of the first hypothesis, which lends itself to an initial positivist philosophy that should be complemented with an interpretivist approach (Saunders et al., 2016).

The first survey is simply a tool for identifying the key areas that the Department should focus on and gives senior management an indication of the top priorities.

The conversations, through focus groups, should offer a more realistic picture of how well Human Capital Practices

are working, and of which actions need to be taken to improve the employee experience.

The second survey gives an indication of how employees are responding to the implementation of engagement activities.

However, as the literature reviewed in this thesis suggests, these findings should be complemented with an investigation that provides qualitative data on how experiencing the employees are engagement activities, whilst also explaining how internal and external factors influence employee attitudes and behaviours.

Semi-structured interviews with employees are useful for understanding what employee drives engagement in the Department. The rationale for the interviews is the investigation into how individuals experience employee activities, and how internal engagement and external factors influence their psychological state and behaviours.

4.1.1 Focus Groups

In order to understand what drives engagement and how employees respond to engagement activities in the Department, it is necessary to identify the Human Capital Practices that tap into the needs of the employees in question.

Following the 2015 survey, six focus groups of twelve to fifteen people were created within the Department. These groups were composed of employees within the same career band to ensure free-flowing discussion.

The focus groups discussed the results of the 2015 survey and identified expectations in relation to the human capital activities that should be implemented in order to improve the employee experience within the Department.

Each group had a coordinator who presented the results in a standard report, highlighting the areas and topics discussed, any shared sentiments, the scores given, and a short description of the common and diverging opinions emerging from the groups.

Senior management collected the main "engagement conditions" emerging from the focus group meetings and identified key actionable activities that were in line with the Company's Human Capital Practices.

The main findings and proposed actions were presented back to the focus groups to ensure that the themes summarised represented the views of the employees fairly.

In March 2016, senior management presented an action plan to the entire Department describing which engagement activities would be implemented and how they related to the drivers discussed by the focus groups.

The rationale for using a qualitative approach to examine how employees experience engagement activities stems from the assumption that an exclusively quantitative method would not provide further explanation of how the implementation of Human Capital Practices is actually perceived by employees.

The validity of this approach is also supported by early research conducted by Gallup: in their studies, Harter et al. (2002) used focus groups and interviews in order to identify the drivers of employee engagement and the aspects that can be influenced by managers through the implementation of relevant Human Capital Practices.

It should be reiterated that the focus groups were initiated by the Department ahead of the commencement of this study. Although the selection of each group co-

ordinator was based on a proven track record of assertiveness, openness and honesty in the Organisation, the outcome of these conversations is naturally subject to interpretation by these individuals, and the validity of the focus groups could therefore be questioned.

However, it is interesting to note (see chapter 5) that most of the emergent themes from the focus group discussions are consistent with the engagement predictors identified in the extant research.

4.1.2 Surveys

Early in July 2016, following the implementation of the identified engagement activities, an employee engagement survey was rolled out to the entire Department.

In order to compare the 2016 scores with the previous year's survey, the questions used by the Company in the Global People Survey completed by all employees in 2015 were also used in the survey completed for this study.

The survey comprises questions that use a five-point Likert-style rating (Fisher, 2010; Saunders et al., 2016) by which employees are asked how strongly they agree or disagree with the statements presented.

The 2016 survey was circulated using SurveyMonkey.co.uk: participation is voluntary and employees receive a link to access the survey; the research did not collect any information on the respondents.

Twelve questions specifically measure the key attitudinal outcomes that the Company associates with employee engagement; in addition, the questions are also designed to identify issues that are within the Department's control. Table 2 below shows the rating questions included in the

survey and the "engagement condition" measured by each question.

Table 2

Question	Engagement Condition	Conceptual Relevance
I feel proud to work for this Organisation.	Identity	Employees' identity and identification with the Company.
Conditions in my job allow me to be about as productive as I can be.	Support	Support: Company/Department supports employees.
My job provides me with the opportunity to do challenging and interesting work.	Enablement	Enablement to fulfil potential by having the opportunity to do what one does best.
I receive recognition when I do a good job.	Recognition	Recognition for "good job" through constant feedback.
I have trust and confidence in my direct manager.	Trust	Trust and manager's behaviour: listens and responds to needs of employees.
I am motivated to contribute more than required.	Motivation	Expectations: clarity on job requirement.
I feel able to achieve my career objectives at this Company.	Opportunities	Development: provide coaching and opportunities that are relevant to the employees' aspirations and abilities.
At work, I feel listened to.	Participation	Development: provide opportunities that are relevant to the employees' aspirations and abilities.
My contribution is valued.	Involvement	Involvement in decision making.
It is clear how the Organisation's purpose applies to me and my role.	Purpose	Mission, purpose and contribution to organisational goals.

Question	Engagement	Conceptual Relevance		
Quesción	Condition			
Colleagues around me				
are recognised when				
they collaborate with	Collaboration	Collaboration and power of		
others over and above	Collaboration	peers.		
their core				
responsibilities.				
Opportunities and				
advancement in this	Dettelopment	Development and progress		
company are based on	Development	Development and progress.		
merit.				

All questions require an answer and participants choose from five possible responses (Figure 2); these are presented in a straight line as this is "how respondents are most likely to process the data" (Dillman, Smyth and Christian, cited in Saunders et al., 2016, p. 457).

Figure 2

Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
0	0	0	0	0

The results are presented showing three main scores:

- Favourable (Agree/Strongly Agree)
- Neutral (Neither agree nor disagree)
- Unfavourable (Disagree/Strongly disagree)

This is done to facilitate comparison with results obtained in the survey conducted in 2015.

The rationale for using quantitative methods at this stage of the research arises from the need to measure the level of engagement at two points in time; the positivist approach of a longitudinal study (Creswell, 2007; Saunders et al., 2016) provides an objective measurement of how the level of employee engagement changes in the period under consideration.

The survey, conducted four months after the implementation of concrete actions related to the human capital strategy, is particularly useful for obtaining an initial indication of how employees respond to the engagement activities promoted within the Department.

However, it can be argued that employee engagement cannot be measured simply by using a quantitative survey: confidence in the findings of the survey can be enhanced by using qualitative methods that allow the observation of areas of convergence and divergence between the different methods (Bryman and Bell, 2007).

correlation between the Similarly, any successful implementation of human capital activities and employee should also be verified using qualitative engagement research methods: "triangulation" is applied to crosscheck the validity of the findings of the quantitative and Bell, qualitative research (Bryman and 2007); this combination also allows "access to different levels of reality" (Bryman and Bell, 2007, p. 398).

A topic such as employee engagement calls for the application of an interpretivist philosophy (Dudovskiy, 2016), in order to better understand employee perceptions and to complement the quantitative research with the interpretation of its findings.

When measuring employee engagement, qualitative research can overcome the limitations of quantitative surveys, which assume that all participants' opinions are credible

in equal manner (Wakeman, 2013). In addition, it could be argued that listening to people is key to understanding whether employees are truly engaged or not.

4.1.3 Interviews

Whilst quantitative questionnaires generally provide good input on how employees see themselves, qualitative research is useful to add more substance to the "selfperceived" level of engagement measured by the survey (Fuller, 2014).

With these considerations in mind, the rest of this research aims to investigate the effect that Human Capital Practices have on employee engagement.

The main objectives of the discussions held with employees are:

- to identify the key drivers of employee engagement;
- to gage the level of engagement of the employees interviewed;
- to triangulate the results of the longitudinal study (employees share their opinions on the engagement of the entire Department);
- to evaluate the success and effectiveness of the Human Capital Practices;
- to discuss the external and internal factors that impact on employee engagement.

Taking into account these objectives, a maximum variation sampling strategy (Creswell, 2007; Saunders et al., 2016) is deemed to be the appropriate selection technique for identifying which employees to interview.

This purposeful sampling strategy is used in qualitative research to ensure that different perspectives are

reflected in the study (Creswell, 2007; Saunders et al., 2016). In addition, the aim of this research is to present a "composite picture" rather than depict individual narratives (Creswell, 2007); it also endeavours to expound on specific experiences and "document uniqueness" (Patton, cited in Saunders et al., 2016, p. 301).

The sampling choice is also dictated by the adoption of an interpretivist philosophy which requires that the diversity of all participants be taken into account; for this reason it is important to select participants that are different in gender, role and personality. Table 3 below shows details related to the interviewees; aliases have been used to protect the identity of the participants. The aliases were selected from the list of top 100 babies' names registered in Ireland in 2015 (CSO, 2016).

The names of individuals presently in employment in the Department have been excluded from the selection in order to avoid any association with current employees. The names, selected in order of popularity, have been randomly assigned to the employees interviewed.

Table 3

Alias	Role			
Emily	Manager			
Emma	Manager			
Ava	Assistant Manager			
Jack	Assistant Manager			
Adam ¹	Supervisor			
Daniel	Supervisor			
Noah	Fund Administrator			
Sophie	Fund Administrator			

¹ Agreed to participate but later withdrew

Participants were provided with detailed information in relation to this study and were cognisant of how the interview would be conducted and the data collected.

All participants gave informed consent for their participation before the interviews were conducted. Participants' consent was also taped on the Dictaphone recordings made during the interviews.

Electronic recordings or transcripts are not submitted this thesis as all interviewees made extensive with the name of the Company, references to its leaders, clients, systems and suppliers. In order to protect the identity of the interviewees and of the Company, which does not wish to be named in this study, the electronic recordings are currently stored securely in a password protected location and will only be kept for a limited time for the purpose of academic revision or examination. All recordings of the interviews will be destroyed within 90 days of submission of this thesis.

Semi-structured interviews were designed with a set number of key questions related to the following topics:

- Employees' experience of engagement activities;
- Employees' feelings about their jobs;
- Employees' opinions about engagement in the Department.

The choice to use interviews to evaluate the success and effectiveness of the Human Capital Practices is dictated by the need to avoid the use of metrics that, in quantitative methodology, do not capture the value that employees assign to engagement activities.

A qualitative measure is deemed more appropriate since the success of the Human Capital Practices depends on how they are perceived by the employees and on the value they attribute to them.

Following an initial pilot testing interview (Sampson, cited in Creswell, 2007), follow-up questions were drafted to explore themes brought up by the interviewees, to prompt them to provide more information and clarify their statements.

Abstract questions about theoretical situations were intentionally avoided; participants were asked to think about occasions when they experienced engagement activities, and to describe their feelings and the impact that these experiences had on their engagement.

The data analysed was collected and clusters of meaning were developed from significant statements to describe the interviewees' experiences, and to identify common themes from which the essence of the universal experience can be drawn (Creswell, 2007).

The rationale behind conducting semi-structured interviews results from a need to gather in-depth accounts of employees' experiences, feelings and opinions, in order to better understand the nature of the problem (Saunders et al., 2016) and the context in which the research occurs (Creswell, 2007).

The interpretivist epistemological stance adopted in this study is appropriate since the aim of the discussions is to understand human behaviour (Bryman and Bell, 2011) and to discover new interpretations of a phenomenon (Saunders et al., 2016). In addition, the interpretivist perspective is highly appropriate in business and management research as

the organisational environment is both complex and unique (Saunders et al., 2016).

The philosophy adopted in this dissertation is that of transcendental or psychological phenomenology (Moustakas, cited in Creswell, 2007), which is concerned with understanding how individuals make sense of the world around them and is based on the descriptions participants give of their experience, rather than on the interpretation of the interviewer (Creswell, 2007; Bryman and Bell, 2011; Saunders et al., 2016). The focus is on describing the essence of the participants' lived experience (Creswell, 2007; Saunders et al., 2016).

CHAPTER FIVE

5. Research Findings

This chapter presents the results of the research conducted for this study.

The findings also include the data collected independently by the Company and the Department before this study was conducted.

5.1 Findings Overview

The focus groups identified the key engagement activities to be implemented in order to respond to the employees' concerns and suggestions. Senior management should review the issues raised on fixed pay and on the perceived lack of opportunities within certain areas of the Department; the employees' concerns regarding the offshoring plans of the Company should also be addressed.

The results of the longitudinal survey imply that the level of engagement has increased in the Department and overall there has been an improvement in all areas surveyed.

The discussions with the individuals selected to represent the Department largely indicate that their level of engagement is higher than they perceived it to be in July 2015.

The employees interviewed also report positive experiences in relation to the implementation of Human Capital Practices in the Department.

Overall, there is a significant convergence of opinions in relation to the key drivers of engagement: rewards are important, but meaningfulness in the day-to-day work is

more relevant. Recognition also plays a significant part in driving employee engagement. Communication and trust emerge as the foundations for engagement in the Department.

The quantitative and qualitative findings of this research are presented sequentially in the following sections and are discussed together in chapter 6.

5.2 Focus Groups

As the focus groups presented their findings, an independent group of senior managers isolated the key areas of consideration for engagement activities within the Department.

Table 4 presents the emergent themes identified by the focus groups. Some of the areas depicted below have been renamed to ensure a consistent representation of the key engagement drivers in this dissertation.

Table 4

AREA	GROUPS	Sentiment/Score	Description
			Perception that fixed pay is
Rewards	1, 2, 3 & 4		generally lower than
		Generally low	competitors;
Fixed Pay	3 & 4		Acknowledgement that late
			shift is paid.
			Perception that bonus is
Rewards		Two groups have	good and higher than
	1, 2,	medium-high	competitors;
Bonus and	3	scores; one has	Bonus should be more
benefits		low scores	reflective of performance.
			Good benefits.

AREA	GROUPS	Sentiment/Score	Description		
			Free coffee and bun cards		
Rewards			appreciated;		
	ALL	Medium to high			
Non-		hearan co high	Suggest introducing tokens		
financial			for Christmas, budget for		
			team nights out.		
			Some managers are more		
Support	1 & 2	Generally medium	supportive than others but		
Support	1 4 2	to high	generally managers could do		
			"a little more".		
Support			Good work-life balance and		
	2	High	flexibility compared to		
Work Life	_	9	competitors.		
balance					
			Managers recognise and		
	1, 3, 4 & 5	Generally high	acknowledge job well done.		
Recognition		with one			
and Feedback		exception	Overall agreement that more		
			one-to-one conversations are		
			needed.		
			Low number of opportunities.		
Meaningful			Feeling that promotions		
work			occur mostly when there are		
	ALL	Generally low	resignations and are based		
Development			on teams' specific		
and			requirements.		
Progression					
			Need more feedback on		
			interviews.		
Internal			Concerns about offshoring.		
factors	<u>אד ד</u>	Torr	Need more thereeses t		
	ALL	Low	Need more transparent		
Uncertainty			communication on offshoring		
			plans.		

AREA	GROUPS	Sentiment/Score	Description
External			
factors Industry environment	1, 3 & 5	Low	Concerns about the health of the industry.

Table 5 below summarises the key actions that senior management presented to the entire Department:

Table 5

AREA	ACTION				
	Presentation of offshoring strategy including				
Offshoring	targets, future plans and headcount				
	projections.				
	Employee development and retention plans;				
Development and	Training plans;				
±	Travel opportunities;				
progression	Transparency and feedback on progression				
	opportunities.				
Reward Strategy	Annual benchmarking;				
Rewald Sclategy	Variable pay reward.				
	Budget for team events;				
Recognition	Celebration of success;				
Recognition	Recognition cards;				
	Recognition for years of service.				
Feedback	More one-to-one and informal "2-way"				
	feedback.				

5.3 Longitudinal Survey

The purpose of the survey is to obtain an initial indication of how employees have responded to the implementation of the Human Capital Practices identified through the focus group initiative discussed in chapter 4.

The survey was rolled out to 85 people within the Department and 56 responses were received. This represents

65% of the staff in the Department and it is in line with the percentage of respondents in the 2015 survey.

Table 6 shows how the results changed between 2015 and 2016 in relation to each of the key "engagement conditions" measured in the two surveys. Detailed results of the engagement survey are included in Appendix 1.

Table 6

Engagement Condition	2015 % FAV	2015 % NEU	2015 ۶ UNFAV	2016 % FAV	2016 % NEU	2016 % UNFAV	Change
Identity	57	27	16	71	25	4	14
Support	48	22	30	71	13	16	23
Enablement	63	19	18	77	13	11	14
Recognition	63	18	19	77	11	13	14
Trust	75	15	10	77	14	9	2
Motivation	67	17	16	73	13	14	6
Opportunities	44	29	27	66	16	18	22
Participation	79	13	8	71	14	15	(8)
Involvement	74	19	7	82	11	7	8
Purpose	61	25	14	63	25	12	2
Collaboration	60	24	16	70	16	14	10
Development	44	28	28	52	20	28	8
AVERAGE SCORES	61	21	17	71	16	13	10

The results of the survey indicate that there was an increase in employee engagement in almost all areas surveyed.

For 75% of the drivers there is a "favourable" score of 70% or above: this is considered a positive outcome, indicating that the workforce in the Department is reasonably engaged.

However, these scores must be assessed with the limited scope of the longitudinal survey in mind: they provide only an initial reading and need to be triangulated with the outcome of the interviews.

5.4 Interviews

The analysis that follows shows how employees in the Department experienced the Human Capital Practices that were rolled out following the focus group meetings.

The semi-structured interviews focus specifically on the following topics:

- a) Personal engagement (change in the period);
- b) Employee experience and engagement drivers;
- c) Participants' opinions on the entire Department's
 engagement;
- d) External and internal factors that influence engagement.

The following sub-sections present the key findings, giving a broad overview of their meaning and significance. A more detailed and holistic discussion is included in chapter 6 where the significance of all the findings is also discussed in relation to the literature reviewed.

5.4.1 Personal Engagement

During the interviews participants are asked to comment on the 2016 survey and explain how and why their answers have changed since 2015.

Almost all the participants feel that their engagement scores are higher or slightly higher in 2016; Jack, an assistant manager, mentions that:

Over the last 2 years the general atmosphere has changed. There is more interaction between higher level managers and rest of the department. I am happier than I was [before]; happy that work progress is recognized and [I] am able to progress.

There are a couple of exceptions to this trend: Noah, an administrator, feels his scores are lower in 2016, whereas Sophie, also an administrator, does not think her level of engagement has changed.

In addition to focusing on employees' self-perceived levels of engagement, the interviews also examine how employees describe their own roles; here, Sophie's answer seems to indicate that her engagement is actually lower than last year:

I want to feel that my job matters, I want to feel challenged. But I am not engaged with my work because I do not feel it is challenging.

Most participants describe their jobs broadly, including responsibilities that go beyond their role and grade; this is how engaged employees have been found to describe the remit of their roles (Vance, 2006).

The level of personal engagement is also assessed by asking the participants to discuss their experiences

throughout the interviews to avoid relying on their selfperception exclusively. Topics that mirror the questions in the survey are deliberately included to assess whether the participants' experiences and feelings match their self-perception of engagement. The way employees talk about their feelings towards their role is deemed to be indicative of their engagement (Vidotto, 2016).

Talking about his responsibilities, Daniel, a supervisor, shows that his feelings are in line with his selfperception as a "more engaged" employee:

When I deal with clients, you get a sense that you can deal with these people who are high up in their organisations. And when they thank you, you get a good kick, that you can do a good job and it is a good feeling.

At the end of the interview, each participant is asked to describe what being engaged means to them. The rationale for asking this question is to evaluate the consistency of all answers provided.

Overall, the combination of direct questions about engagement and discussions about past experiences and feelings indicates that employees at supervisor, assistant manager and manager level are more engaged than they were in 2015, whereas the administrators' answers suggest that they are less engaged.

This finding is somewhat in line with the results of the 2016 survey, which shows that for 75% of the drivers there is a favourable score of 70% or above.

5.4.2 Employee Experience and Engagement Drivers

The objective of the interviews is also to identify the main drivers of engagement in the Department, as well as

to assess the success of the implementation of Human Capital Practices.

The questions posed to employees require them to discuss employee engagement drivers and human capital activities simultaneously; these elements cannot be analysed without the separately compromising meaning of the employees' experiences. For this reason, these aspects are reported in this section without distinguishing how they relate to the research questions. An in-depth discussion on the implications of these findings is presented in Chapter 6.

The general feeling about the implementation of the engagement activities identified in the focus group meetings is positive.

Emily, a manager in the Department, comments that:

... Some of the initiatives in particular, definitely add a lot of value and everybody in the department has a role to play in some of them and certainly feel that way.

This sentiment is shared by Emma, also a manager, who adds that:

[It is] an opportunity to think outside of day-to-day BAU environment and question and evaluate our current ways of doing things. [It] empowers people to bring about change [and] it is important for engagement and morale.

Both managers emphasise how the involvement of the entire Department is a key determinant to the success of these initiatives. However, some criticism emerges as Sophie points out that although management do listen to

employees' feedback, significant changes are yet to be seen:

There are nights out, vouchers and the rest. It would be more the fluffier areas that are the easier to fix.

Overall, the shared feeling is that the implementation of the engagement activities has been successful and effective, and it has had a generally positive impact on employee engagement within the Department.

Within the area of engagement activities, the following engagement drivers are also discussed: rewards; communication; support; recognition and feedback; and development and progression.

5.4.2.1 Financial Rewards

In the discussions on financial rewards only one participant feels that the Department has not delivered what was expected amongst staff. As Noah explains:

Promises were not kept; specifically about pay: there was an understanding (...) that pay across all grades was under review [because] at that stage, they were below market value...

On the other hand, all the other participants are satisfied with the financial rewards. Emily comments on the impact that this has had on her team:

[It was] important for those who had not seen any for a number of years (...) people were pushing for this and they are happy now. I think this would have a lasting effect. Overall, all the participants agree that financial rewards are important but are not the main factor in eliciting engagement; as Emma explains:

It did not motivate me. But it is motivating to know that strong performance is recognised, not only culturally, but there is also a monetary value. That is quite motivating: to know that work hard literally does pay off.

Sophie's views contrast with her peer Noah's, as she mentions "meaningful work" extensively in her interview:

[Financial rewards] would only get you so far. You spend most of your week at work and if you do not feel challenged or needed in your role, it can only go so far.

Overall, the employees interviewed feel that financial rewards are important: they do not seem to consider them a hygiene factor as some academics suggest (Yukl, 2013).

5.4.2.2 Communication

When communication is discussed in the interviews, all participants make reference to an incident whereby a corporate communication related to the Company's compensation policy reached the press before it could be shared with employees.

Ava, an assistant manager in the Department, explains how she felt about that incident:

I was really upset that I found out from the paper ... It definitely made me feel ... not appreciated.

Noah's view summarises the sentiment of all the employees interviewed:

It all comes down to respect and trust ...

Talking about this incident, participants refer to managers "giving the company line" on conflicting messages.

During the conversations, however, participants also focus specifically on communication within the Department; from the interviews it emerges that the improvements observed since the start of the year have had a positive impact on engagement. As Ava and Emily explain:

In general, managers and senior managers are very approachable and we can discuss issues and problems [with them]. It is good because people are being heard and it's important [Ava].

[The] last few town halls have been really good. Really direct. [The] messaging is always very clear. For me, when I go to those town halls, I believe that that is the vision, there is no ulterior motive; it is about getting people involved. People appreciate that [Emily].

In line with the literature reviewed in this dissertation (Covey, 2012; Bahr Thompson, 2015; Bersin et al., 2016; Cates, 2016; Vidotto, 2016), open and honest communication emerges as one of the foundations for employee engagement in the Department.

5.4.2.3 Support

All participants concur that they feel supported in their jobs and in their studies. Daniel raises a specific episode when his manager supported him, and observes:
You are not left on your own; you can run things up the line. It is a good thing to have. Some places you are just left like an island on your own.

While the participants acknowledge that support has a positive impact on their motivation, they also point out that the teams have control of work-life balance and flexibility; Emily, for instance, comments that:

As a manager is up to me to manage that [flexibility and work-life balance].

However, most of the conversations about support are fairly short, and participants do not expand on their succinct views. This is perhaps because the focus groups identified this as had а strong area within the Department. An alternative explanation may be that in individualistic cultures, support is not as powerful a driver as esteem and self-actualisation (Moorhead and Griffin, 2010).

5.4.2.4 Recognition and Feedback

The interviewees unanimously recognise that the Department has made progress in relation to providing employees with prompt feedback and recognition for "a job well done".

Noah also recalls a recent event where his efforts were acknowledged:

We worked very hard, long hours (...) and it was recognised (...) if someone just says, "thank you, it was noticed, it was appreciated" that is nearly enough for me.

Ava also comments on the effectiveness of "little things", such as sponsored team events, as recognition tools:

One of the best initiatives is the money for teams for nights out. Good to ensure that teams get on better, know people better and create friendly relationships with all. [It] improves the morale within the team.

Overall, all the participants agree that feeling appreciated and getting feedback on their performance is very important, as prompt and honest assessments provide clarity on employees with their objectives and achievements.

In addition, recognition for a "good job" reassures employees that they are on the right track and motivates them to move forward whilst taking pride in their work (Mello, 2011).

findings also correspond with literature These the and indicate providing feedback reviewed that and recognition satisfies the esteem needs of individuals, who feel more engaged because they have clarity on their objectives and see that their efforts are valued (Moorhead and Griffin, 2010).

5.4.2.5 Development and Progression

During the interviews, conversations about meaningful jobs are mainly focused on opportunities for growth: some participants discuss opportunities to work on different projects or in different areas; others specifically ponder prospects for progression within the Department or Organisation.

Discussing learning opportunities, it emerges that the possibility to train and develop new skills resonates well with Noah, who observes that:

People are taking opportunities to take courses (...) when people do want to develop and do courses, managers' responses are favourable and the training side is very good.

At the same time the Department has not been able to fully deliver secondment opportunities for its employees, as Ava remarks:

I think that in our department, in daily teams, the opportunity to work or be seconded elsewhere is very difficult because of the nature of the daily work. This has an impact on my motivation, not hugely but I would like to see more sideways opportunities.

With regard to opportunities for progression there seems to be agreement that there have been numerous promotions within the Department:

I think there's plenty. There has been a lot of people who have gone through internal promotion [Emily].

Over the last 2-3 years it's been good to see that opportunities have been made available to progress [Jack].

However, whilst Emma agrees that the Department is providing some opportunities to grow and develop, she believes that further endeavours are necessary; on the same topic, Emily points out that employees have different perspectives on the concept of a "meaningful job":

I understand that we need to push people outside of their comfort zone and get them involved in different projects but we also have to accept on another level that there are people ... that are great at coming in, putting their head down and doing their job very well ... we are not all the same. For me that is important because sometimes we can push people to get involved [in other things] but what they want to do is sit down and get involved in the technical aspect of their job.

Whilst a strong view emerges from all the conversations that a meaningful job is a key driver for engagement amongst the participants, it is also clear that employees have individual ideas of what it means to have a challenging job.

Organisations can enrich jobs by making them more meaningful for their employees (Vance, 2006; Baldoni, 2013); the interviews, however, suggest a shortcoming - on the part of the Department - in identifying the different self-actualisation needs of employees.

5.4.3 Department Engagement

In the interviews, participants are also asked to give their opinion on the level of engagement in the Department, and to justify their views.

majority of participants believe The vast that the successful implementation of some of the engagement discussed has activities hitherto contributed to а significant improvement in the levels of engagement within the Department.

Noah specifically mentions that:

The initiatives certainly have helped.

Whereas Jack explains that improved communication is - in his opinion - the key determinant for this change:

Everybody is more aware of what is happening ... we are getting better flow of information and direction down from senior level.

Sophie looks at this from two points of view, suggesting that:

The recognition and the rewards, that is good. But it is the easier things that we have made progress on. But [the department is] nearly less engaged from the day-to-day working [perspective].

Sophie's last point is echoed by Emma, who thinks that the Department is less engaged:

Potentially less engaged because of the level of offshoring is increasing and the error statistics are increasing.

Whilst it can be argued that this method is highly subjective and that the technique used to corroborate self-perceived engagement is not used when eliciting opinions on the entire Department, it is interesting to note that the insights provided, particularly from the team managers interviewed, are consistent with the findings of the quantitative research.

From the "triangulation" applied to confirm the validity of the quantitative research findings (Bryman and Bell, 2007), it can be seen that the conclusions drawn from the interviews tally with the results of the survey, and that overall the Department is more engaged than it was in July 2015.

5.4.4 The Impact of External and Internal Factors

All participants, with no exception, mention "offshoring" as a key area of concern and a major factor that has had a significant impact on their engagement.

Employees are concerned about the changes that offshoring might bring about; Jack elaborates on his concerns by explaining that:

The industry has changed a lot, that is the way it is. What people see is the department getting smaller, for some people is an issue because of uncertainty of what is going to happen. Not necessarily around job security about our jobs, but about where things are going to go and how our jobs are going to change.

A sense of trepidation is evident in other participants who are at different stages in their careers: Noah and Sophie question whether there will be a job for them once the Company has executed its offshoring strategy.

Noah offers his personal view on this:

Certainly admin work is gone within three years. Fund Admin is gone: it's move up or move on. It's been migrated for a reason.

Sophie is more explicit in voicing her concerns, and openly expresses her feelings on how this situation impacts on her engagement:

Will the admin be necessary after the migrations? ... It is quite hurtful to the admins who are working hard and do not see why their job should be immediately gone.

Most participants also identify "repetitive work" as a negative consequence of offshoring. Jack explains:

[The] resources we have are heavily engaged in repeat activities, not exposed to different projects. For some staff it's a problem. I can see how after a couple of years the routine could get a little bit oppressive.

Participants are affected by these factors in different ways: whilst some are less concerned about their job security, most acknowledge that uncertainty has a negative impact on engagement in the Department. This corresponds with Jenkins and Delbridge's (2013) view that external factors can have a significant impact on the successful implementation of engagement activities.

5.5 Research Findings Summary

From the analysis of the findings it emerges that the key engagement drivers are: rewards; communication and trust; recognition and feedback; and development and progression.

The findings also suggest that the implementation of Human Capital Practices has been successful on the whole. This has had a positive impact on employee engagement: the triangulation of the results of the survey and the interviews demonstrates that employees are more engaged compared to July 2015.

Finally, there is agreement amongst the participants that repetitive work and the offshoring of business are the most significant internal and external factors that impact negatively on employee engagement.

Transparent communication has been identified as a mitigating factor in relation to the concerns around offshoring: whilst employees acknowledge that the industry

is taking this direction, they appreciate being kept abreast of Company plans in this area.

The next chapter discusses the significance of these results for the Department and provides an interpretation of the findings in the context of the extant literature on employee engagement.

CHAPTER SIX

6.Discussion

The first three sections of this chapter discuss the key findings of this research; these are initially presented separately in order to consider how they relate to the research questions proposed in this dissertation.

At the end of this chapter the discussion focuses on the implications that the composite findings have for the Department, the Organisation, the Industry and the extant and future research on employee engagement.

The aim of this chapter is to present а holistic discussion that takes into account the interdependence of engagement predictors; Human Capital Practices; and other factors, internal and external to the Department, examining how they collectively affect employee engagement.

6.1 Key Finding 1 - Drivers of Engagement in the Department

The findings presented in this section answer the first question in this research:

a. What are the key drivers of employee engagement in the department selected?

The interviews have confirmed that rewards; communication and trust; recognition and feedback; and development and progression are the key engagement drivers in the Department.

Undoubtedly, the conversations with certain employees support the view that **rewards** are important but are not the key driver for employee engagement. However, rewards are not seen as a hygiene factor in the Department, as some of the literature reviewed in this study suggests (Yukl, 2013; Bersin, 2015).

All the employees interviewed mention that there are other aspects of their jobs that are much more significant than compensation. Interestingly, those who attribute a higher importance to compensation are administrators who are, presumably, on lower salaries compared to the other participants.

The key implication for the Department is that the "pay review" exercise should be conducted periodically to ensure that strong employees are adequately compensated; once this is achieved, other engagement strategies become more relevant for employees (Bersin, 2015).

It can be argued that this recommendation should be extended to all organisations that are committed to investing in and engaging their workforces.

Incidentally, in all of the conversations about financial rewards, participants extensively discuss **open communication and trust** when referring to the corporate communication incident discussed in the previous chapter.

Although this issue represents an isolated incident, the responses to it advocate powerfully that **open communication and trust** are fundamental for eliciting employee engagement (Covey, 2012).

From all the interviews, **open communication and trust** emerge as the basic elements in the relationship between employer and staff, and as key pillars of employee engagement in the Department.

This finding corresponds with the view that purposeful and open communication is one of the main factors that is likely to impact on an employee's propensity to engage (Reissner and Pagan, 2013; Vidotto, 2016).

Recognition and feedback are key drivers of engagement for the Department's employees. "Knowledge workers" are keen to ensure that their abilities and the results they achieve are recognised and adequately compensated in financial and non-financial terms: engaged employees value being entrusted with the responsibility to carry out challenging and stimulating work (Moorhead and Griffin, 2010; Baldoni, 2013; Yukl, 2013; Bersin, 2015).

In addition, once employees have reached this level of gratification, they seek self-actualisation by pursuing opportunities for further development, growth and progression (Vidotto, 2016).

Significantly, it can be gleaned from some of the interviewees' comments that the perception that a job is neither challenging nor important does indeed have a detrimental effect on employee engagement.

Providing employees with recognition, feedback and opportunities to develop new skills and progress in their careers emerges as the most powerful way to engage employees in the Department.

These are important findings that corroborate the view of academics such as Kellerman and Hamel, who posit that tapping into the esteem and self-actualisation needs of employees is what makes the difference between having a workforce which is "somewhat engaged" (Kellerman, 2009) and employees who are deeply devoted and exert initiative, creativity, passion and zeal in their work (Hamel, 2006).

Interestingly, **support** seems to be a less important driver within the Department. Whilst it can be argued that in individualistic cultures this may be less important than other drivers (Moorhead and Griffin, 2010), it should be noted that *support* was an area in which the Department was performing well when the focus group discussions started.

In an environment where companies compete to be the "best place to work", further research would be valuable to investigate whether **support** - like compensation - should be considered a hygiene factor in organisations that are seriously committed to investing in their employees.

This consideration stems from the criticism of supportive leadership that highlights the attitude of employees as a that neutralises supportive leadership (Yukl, factor 2013). Whilst the leadership theories posit that the outcomes of а supportive environment are increased commitment and higher job satisfaction overall, it must be noted that the new generation of workers are more dogmatic and self-starting and do not necessarily respond to supportive leadership (Yukl, 2013).

6.2 Key Findings 2 - Correlation between Human Capital Practices and Employee Engagement

The hypothesis formulated in this dissertation is that:

b. The effective and successful implementation of Human Capital Practices will be positively correlated to the level of employee engagement within the Department.

To verify this hypothesis, interviews were conducted to assess the success of the implementation of Human Capital Practices. The level of engagement was then measured by

triangulating the results of the longitudinal survey with the findings of the qualitative research.

Whilst some employees have expressed concern that only the easier practices have been implemented, most believe that significant progress has been made on several activities.

The findings reported in the previous chapter show that, overall, even though further effort is needed, some tangible progress has been made on a significant number of initiatives.

Most participants recall concrete examples of positive experiences in relation to the engagement activities rolled out in the Department: a number of interviewees specifically describe how they personally benefit from these initiatives and how valuable these are for their own engagement.

Considering the findings analysed in the previous chapter, and taking into account the metrics adopted to measure the success of Human Capital Practices, it can be concluded that the implementation of the engagement activities has been achieved relatively successfully in the Department.

The second measurement used to confirm the hypothesis formulated in this dissertation is the level of engagement across the Department.

The engagement survey shows that the "favourable" scores have increased to over 70% compared to an average of 61% in the same period in 2015. This is significant when taking into account that 65% of employees responded to the survey.

These findings are also corroborated by the responses of the participants in the interviews who, with the exception

of two individuals, feel that their personal level of engagement has increased over the last twelve months.

The results of the survey are also triangulated with the opinions emerging from the interviews with regard to the levels of engagement in the entire Department. All the findings show that employees are largely more engaged.

The analysis of these two variables proves the validity of the hypothesis that the successful and effective implementation of relevant Human Capital Practices is positively correlated with employee engagement in the Department.

It is worth noting that the focus group meetings provided crucial insights into which engagement activities are relevant to the employees of the Department. The "bottomup validation" of human capital strategies has allowed the Department to focus on a limited number of specific actions thus increasing their chances of success.

The implications for other organisations and for the extant literature are striking: the findings reiterate the academic view which suggests that identifying the drivers of employee engagement is far more important than studying the correlation between engagement and performance (Vance, 2006).

More specifically, these findings also support the assertion that implementing practices that tap into the needs of employees can help organisations elicit employee engagement and improve job performance (Vance, 2006).

However, further research is needed to test the "bottom-up validation" approach in other organisations and departments, and to investigate how other factors such as the varied needs of the workforce, the diverse nature of

work in different industries, and the internal and external factors inherent in each organisation can influence employee engagement.

6.3 Key Finding 3 - Internal and External Factors The final objective of this dissertation is to investigate:

c. Which internal and external factors impact on employee engagement?

d. How do the identified internal and external factors impact on employee engagement?

Offshoring emerges as the key issue in all the interviews. The level of concern amongst employees varies depending on their role and experience. At assistant manager and manager level, employees are more concerned with how this uncertainty impacts on the serenity and ultimately the effectiveness of their direct reports.

Seasoned employees are accepting of the fact that their own roles have transformed over the last ten years, and are able to embrace the ever-changing nature of the Securities Services Business and the impact that this has on their jobs.

These employees are more willing to accept that their roles are becoming more "client facing" and that managing people, suppliers (offshore teams) and clients is becoming a prominent aspect of their daily jobs.

At lower levels however, employees are concerned about job security and prospects for their future careers. They understand that there are opportunities for them to move upwards or horizontally, but at the same time they feel "hurt" that their roles are disappearing.

In addition, at this level, most employees are more attached to the technical aspects of their roles and are also concerned that, as core activities are offshored, their daily work has become more repetitive and less challenging.

These concerns have a negative impact on the engagement of employees. At lower levels, employees struggle to see a future for themselves in the Department and therefore they feel less emotional attachment to their jobs and to the Organisation.

At higher levels, the psychological state of fund administrators is an issue for managers and assistant managers: carrying out their responsibilities in the short term becomes more difficult as they also have to manage the unease that their workforce are experiencing.

Interestingly, however, the concerns about offshoring do not seem to have impacted on the entire Department equally. Whilst it emerges as a significant cause of concern in the interviews, the level of engagement has increased over the last few months.

From the interviews it emerges that the concerns about offshoring are moderately mitigated by transparent communication pertaining to the Department's offshoring plans, and also by the realisation that - as more business is offshored - there have been no redundancies: people have simply moved to other roles, and teams have taken on different clients.

However, the concern related to offshoring also brings up issues related to the repetitive nature of the job; this emerges as the main reason for lower engagement in one employee at administrator level and, even though the

overall findings of the survey and of the qualitative research show that the level of engagement has increased, it is interesting to note that there are pockets of employees who are more affected than others by factors internal and external to the Department.

The key implications for the Department are clear: senior management need to continue to promote opportunities within the Department and the Company to ensure that creative and innovative employees remain stimulated and engaged, even in an environment where the nature of the work is repetitive.

It is worth mentioning that eliciting employee engagement is not as straightforward as some studies suggest (Jenkins and Delbridge; 2013). To truly understand what drives engagement in each organisation, internal and external factors cannot be dismissed; whilst it is often very difficult if not impossible to eliminate these factors, organisations can put in place mitigating actions to reduce the impact that they have on employee engagement.

6.4 Implications

The findings of this research discussed in this chapter imply that employee engagement drivers are likely to be different for all individuals.

Rewards are important at all levels; employees want to be paid adequately for their efforts and - in an environment where they have access to information about competitors organisations constantly need to ensure that their reward strategy remains competitive in relation to the rest of the industry.

Open communication is one of the main factors likely to impact on the employee's propensity to engage, as suggested

by Reissner and Pagan (2013). However, employers need to understand how communication is perceived at different levels, and take appropriate action to embed a culture of openness and transparency in order to ensure consistency of communication across the entire organisation.

This is particularly relevant for multinationals, which should ensure that their employees perceive the same level of openness and transparency in all communications: locally, regionally and globally.

In line with the literature reviewed for this study, the research findings highlight that opportunities for growth and progression are the key drivers for employee engagement in the Department.

In the "knowledge workers" era (Drucker, 1967) most employees are engaged when they are in a position to carry out challenging and stimulating tasks; however, employers need to be mindful of all the factors that can have an impact on employee engagement.

This research has evidenced that esteem and selfactualisation needs are different for each individual and whilst some employees value financial rewards as a means for recognition, others feel that their competence should rewarded with the assignment of more complex be and challenging tasks.

Some employees value the opportunity to develop their skills through training and secondment opportunities, whereas others experience self-actualisation in being given the opportunity to progress vertically in the Organisation.

It is interesting to note that, at different levels, employees have different perceptions concerning the extent to which Human Capital Practices are successful and effective. The key issue to consider, as one manager put it, is to appreciate that everybody is different.

There is clearly a significant cohort of employees who are almost exclusively interested in the technical aspects of their jobs, whereas others are more predisposed to concentrating on people and client management.

The main implications for the Department and for employers in general are that it is not advisable to implement "blanket" practices for all employees. Diversity of aspirations and ambitions must be taken into account, as well as the talent and attitude of each individual.

Moreover, it can be argued that a participatory approach in the identification of Human Capital Practices could improve their success: employees who play an active role in the implementation process of engagement activities are more likely to report positive experiences and get value from them.

This approach also allows management to provide clarity on the practices that are pursued and those that are not, as activities that are mooted but found to be inconsistent with the objectives or culture of the Department are not implemented.

This thinking stems from leadership theories which hypothesise that a participatory approach improves the quality of decisions made, at the same time empowering employees who feel a stronger commitment towards the execution of the task (Yukl, 2013).

The Department is challenged with implementing relevant Human Capital Practices that tap into the diverse needs of its employees.

It would be advisable, for a department or an organisation that is transforming its roles, to consider developing separate career paths in order to continue to make the most of its diversely skilled workforce.

This would allow for the alignment and integration of the HR strategy with the corporate strategy (Cheese et al., 2008). In particular, as suggested by Jenkins and Delbridge (2013), the HR practices need to be aligned with the business model of the Organisation.

In the case of the Department considered in this research, management need to ensure that development strategies are flexible in order to differentiate between employees who cherish technical tasks and those who have stronger interpersonal and conceptual skills (Katz, cited in Yukl, 2013), thus enabling them to move into a variety of potential roles that are best suited to their abilities and aspirations (Garonzik and Larrere, 2011).

CHAPTER SEVEN

7.Conclusion

Global human capital trends indicate that organisations are focused on the creation of work environments that engage people (Bersin et al., 2016).

In the "knowledge workers" era (Drucker, 1967), employees are seeking more opportunities to develop their skills and grow professionally in the organisations they work for (Vance, 2006; Alfes et al., 2010; Bersin, 2016; Seppälä, 2016). The new generation of employees, however, are less loyal towards employers and are more prone to seeking self-actualisation opportunities elsewhere when they perceive a lack of prospects (Vance, 2006; Mello, 2011; Ulrich et al., 2012; Armstrong, 2014; Bersin et al., 2016).

This challenging environment and the fast-changing conditions of the world of work have captured the attention of consultants and academics, who have been studying the employee engagement phenomenon extensively over the last three decades.

Whilst the initial focus of the extant research was on the correlation between employee engagement and performance, in recent years, more emphasis has been given to the study of the predictors of employee engagement. In particular, current research continues to investigate employee experience in order to better understand how organisations can elicit engagement.

In addition, the extant research on employee experience focuses on how employees react to and "live" the implementation of Human Capital Practices within the

organisation. These pertinent questions allow researchers and organisations to identify the practices that resonate with the workforce and those that have little impact on eliciting engagement.

The study of engagement as a psychological state experienced by employees, rather than merely a workforce strategy, (Christian et al., cited in Truss et al., 2013), suggests the adoption of an approach that re-focuses on the physical, cognitive and emotional expressions of engagement.

This dissertation builds upon this emerging approach and proposes the use of mixed methods to test existing theories and to explore, qualitatively, the perceptions and experiences of employees in a relatively small-scale context.

approach for this research stems from the extant The literature and suggests a holistic framework that can be adopted in future research. Considering the complexity and the topic of employee engagement, this latitude of research also suggests that more focused studies should be conducted at department and team level to understand precisely the predictors of employee engagement and to comprehend how employees experience the engagement activities implemented in each organisation.

This dissertation posits that it is fundamental to take a holistic approach when studying employee engagement; this consideration originates from Kahn's view that employee engagement is a "psychological state" (Kahn, 1990) - with this in mind, it is imperative to take into account all the factors that can influence employee engagement.

The adoption of a multi-phase design that employs deductive and inductive strategies provides the appropriate tools to identify and analyse the findings of this research.

Interestingly, and not surprisingly, the main predictors of employee engagement in the Department are in line with the drivers identified in the extant research. Additionally, the findings concerning rewards add to the current debate around "hygiene factors" and suggest that needed to explore the more research is impact that compensation has on employee engagement.

Moreover, this research also emphasises that the new generation of employees have an ambivalent attitude towards supportive leadership, and more research is needed to investigate how a supportive environment affects highly trained professionals, self-starters and dogmatic employees who are found not to respond to this type of setting (Yukl, 2013).

In terms of identifying the strongest driver of engagement in the Department, the most significant finding of this study supports the view proposed by Moorhead and Griffin (2010): for employees, having their self-actualisation needs satisfied is of primary importance, enabling them to reach higher levels of engagement when they achieve a sense of purpose, autonomy and mastery (Pink, cited in Bersin, 2015).

The second key finding is the validation of the hypothesis that the successful and effective implementation of Human Capital Practices is positively correlated to higher levels of employee engagement.

Strikingly, this dissertation also finds that a participatory approach in the design and implementation of engagement activities is likely to increase the relevance of these practices and - by reflection - the probability of their success.

The holistic approach adopted in this study also provides insights into how employee engagement can be affected by other factors. In the specific context analysed, the repetitive nature of the administrator role and the concerns related to the offshoring plans of the Company can impact negatively on employee engagement, thus neutralising the effect of the engagement activities rolled out within the Department.

Organisations wishing to truly understand engagement predictors need to identify the factors that are of most value and importance to their workforce, within the specific context of their organisation and industry, whilst also accounting for the impact that the external environment has on employee engagement.

The findings of this dissertation imply that even the most carefully planned and implemented Human Capital Practices can be ineffective if basic psychological and security needs are not met.

Specifically, this dissertation finds that financial rewards can disengage employees who feel that their efforts and results are not adequately compensated. In addition, open communication and trust form the basis for employee engagement: crucially, the perception that an employer is not open or trustworthy is hugely detrimental to employee engagement. This dissertation argues that in order to gain an understanding of how employee engagement can be elicited, companies must be prepared to carry out holistic investigations to explore the drivers of employee their organisations. It is vital for engagement in employers to understand exactly how employees obtain value from the implementation of Human Capital Practices, and to identify the means whereby internal and external factors can be mitigated or indeed enhanced in order to reduce (or increase) their impact on employee engagement.

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APPENDICES

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Appendix 1 - Survey results
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Conditions in my job allow me to be about as productive as I can be.

Answer Options	Response Percent	Response Count
Strongly agree	8.9%	5
Agree	62.5%	35
Neither agree nor disagree	12.5%	7
Disagree	12.5%	7
Strongly disagree	3.6%	2
answered question		56
skipped	l question	0



My job provides me with the opportunity to do challenging and interesting work.

Answer Options	Response Percent	Response Count
Strongly agree	16.1%	9
Agree	60.7%	34
Neither agree nor disagree	12.5%	7
Disagree	5.4%	3
Strongly disagree	5.4%	3
answered question		56
skipped	l question	0









I feel able to achieve my career objectives at this Company.

Answer Options	Response Percent	Response Count
Strongly agree	14.3%	8
Agree	51.8%	29
Neither agree nor disagree	16.1%	9
Disagree	16.1%	9
Strongly disagree	1.8%	1
answered	l question	56
skipped	l question	0





At work, I feel listened to.

Response Percent	Response Count
16.1%	9
55.4%	31
14.3%	8
8.9%	5
5.4%	3
answered question	
ed question	0
	Percent 16.1% 55.4% 14.3% 8.9% 5.4%





It is clear how the Organisation's purpose applies to me and my role.

Answer Options	Response Percent	Response Count
Strongly agree	7.1%	4
Agree	55.4%	31
Neither agree nor disagree	25.0%	14
Disagree	12.5%	7
Strongly disagree	0.0%	0
answered question		56
skipped	l question	0



Colleagues around me are recognised when they collaborate with others over and above their core responsibilities.

Answer Options		Response Percent	Response Count
Strongly agree		10.7%	6
Agree		58.9%	33
Neither agree nor disagree		16.1%	9
Disagree		12.5%	7
Strongly disagree		1.8%	1
	answered	question	56
	skipped	question	0



Opportunities and advancement in this company are based on merit.

Answer Options	Response Percent	Response Count
Strongly agree	7.1%	4
Agree	44.6%	25
Neither agree nor disagree	19.6%	11
Disagree	26.8%	15
Strongly disagree	1.8%	1
answered question		56
skipped	l question	0



Appendix 2 - Interview Questions

The following interview protocol served as a "checklist" for the discussions; however, owing to the semi-structured design of the qualitative research, some participants were asked additional questions which may not be included below whilst others covered all of the topics without prompting.

Can you tell me about your responsibilities in your role?

2. Did you complete the employee engagement survey? Do you feel you have given higher or lower scores compared to last year?

3. How do you feel about the implementation of the engagement activities?

4. To what extent do you feel that the financial rewards motivate or engage you?

5. What is concerning you at work?

6. Can you describe how your managers or the department show you their support?

7. Can you tell me about a recent time when you received recognition or feedback for a job well done?

8. Can you briefly articulate how managers give you direction?

9. How do you feel about opportunities in this department?

10. Can you tell me a bit more about your feelings towards your job?

11. What are the most prominent feelings in your workrelated conversations with friends/family?

120

12. How do you feel about your objectives and the contribution you make to the company goals?

13. What are your expectations in relation to communication from managers and above?

14. What concerns have you got about the future in this department and organisation?

15. What is the one thing which would improve your working life? $^{\rm 2}$

16. Do you feel that the department is more or less engaged compared to last year?

17. What does "being engaged" mean to you?

18. Do you like your job? What disengages you?

² (Alfes et al., 2010)