"An exploratory study of employee engagement in the financial services industry in Ireland"

Amie Doran

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Abstract:

Given the current difficulties experienced within in the financial services industry, the aim of this dissertation is to carry out a study of employee engagement within the financial services industry in Ireland. The researchers aim is to discover the factors that financial institutions associate with employee engagement, the benefits and the implications of it.

The researcher adopted an inductive approach and conducted interviews to gather the relevant data. These interviews were conducted within three well-known banks, and one that is globally recognised. The researcher decided to interview two managers from each institution meaning two branches from each financial institution were interviewed. This was to help the researcher get a better insight into engagement from each institution. Due to ethical considerations the names of the participants and the financial institutions will not be named and will be referred to as Company A, B, C, D, and each participant was known as participant 1, 2, 3, 4, 5, 6, 7, 8.

In consideration of the sample, the findings convey that the concept of employee engagement was clearly understood. It also outlined what factors financial institutions associate with employee engagement, the benefits they obtained from having employees engaged and the implications faced with employee engaged.

The research begins with a brief introduction then discusses the literature associated with the area of study. This is followed by the researcher discussing the methodological approach which was adopted, a discussion of the findings, and the conclusion which includes the researcher's key findings, the limitations of the study and future research possibilities.

Acknowledgements:

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Introduction:

Employee engagement has become an area of interest over the last number of years; it has become a widely used and popular term (Robinson, et al, 2004).

This can be seen to be down to the economic climate, as the current business environment has become unstable and is characterized by change and renewal (Mendes & Stander, 2011). In order for companies to maintain their competitive advantage, organisations are placing great emphasis on the management of human capital (Bakker & Schaufeli, 2008). Sundaray, (2011), explain that if an organisation can attract, retain, engage and develop their human resources they can gain competitive advantage. An engaged workforce cannot only lead to competitive advantage but it creates a positive atmosphere within the organisation which can be essential to those who are providing professional services to their clients (Macey and Schneider, 2008). This would be especially important within the financial services industry as they are continuously providing professional services to their clients. The researcher chose to study employee engagement within the banking sector due to the fact that the financial services industry is a significant part of a country's economic system (Mohsan, Nawaz & Khan, 2011) so engaging their employees would be important. Having employees that are engaged means they will work alongside the organisation to achieve its goals and objectives (Robinson, et al, 2004). Khan (1990) also discusses the importance of employee engagement when he explains that an engaged employee is prepared to invest their time and energy to ensure the successful completion of tasks.

Guest (2000) similar to Bakker & Schaufeli, (2008) illustrates the importance of human capital within an organisation when he explains that once it's used effectively it can provide the organisation with competitive advantage. Due to the economic

climate the financial institutions are finding it harder than ever (Financial Institution Risk Management: Aon, 2013), which is why it is important to engage their employees. By engaging their employees they can improve levels of productivity, job satisfaction, motivation, commitment, and reduce turnover rates (Rothmann &Rothmann, 2010). Bhatti and Nawab (2011), explain that human resources are a crucial asset to the organisation, as they are the ones who help achieve the goals and objectives of an organisation.

Research Title:

The title of this dissertation is *"An exploratory study of employee engagement in the financial services industry in Ireland"*.

Research aim:

The researchers aim is to discover whether financial institutions understand the concept of employee engagement, the factors they associate with engagement, and what they see as the benefits and implications of employee engagement.

Research Objectives:

The research objectives for this study are, to:

- Identify how financial institutions define employee engagement.
- Outline what factors financial institutions associate with employee engagement.
- Discover what Financial Institutions see as the challenges faced with employee engagement?
- Discover what the benefits are of having high levels of engagement within this industry?

Structure of the Dissertation:

The dissertation will consist of six chapters. Chapter one is an introduction to the proposed research and its significance, in order for organisations to maintain their competitive advantage through their human resources. It also outlines the research question, the research aim and the research objectives.

Chapter two is the discussion of the literature associated with and surrounding employee engagement. It will begin with defining employee engagement, the researcher will discuss the benefits associated with employee engagement and finally the researcher will illustrate how the topic of study can be linked with employee engagement.

In chapter three the researcher outlines the methodological approach which was adopted to allow the researcher conduct this research question.

Chapter four will discuss the analysis of the data and the interpretation of the data collected.

In chapter five the researcher will discuss the findings from the data collected and outline how it relates back to the literature review and chapter six will draw conclusions from the data gathered. The researcher will also discuss considerations for future research.

Literature Review: Chapter 2:

Defining employee engagement:

As society and businesses are witnessing unprecedented change over the last number of years and organisations are trying to maintain their levels of competitive advantage employee engagement has become a popular organisational concept. Employee engagement is believed to be "*the level of commitment and involvement of an employee towards the organization and its values*" (Sundaray, 2011, p.53).

Schaufeli, Salanova, Gonzalez-Roma and Bakker, (2002, p, 74), also define employee engagement *"as a positive, fulfilling, work-related state of mind that is characterised by vigour, dedication and absorption"*. Vigour can be described as the levels of energy a person is willing to invest into their work in order to reach the organisations goals and objectives, dedication can be described as feeling proud and enthusiastic in ones job and also feeling inspired and challenged by it, and absorption can be described as feeling happy and satisfied in ones work (Bakker, et al, 2011).

Similar to Schaufeli, et al, (2002), Robinson, et al, (2004), note that employee engagement can be seen to occur when employees hold a positive attitude towards the organisation and its values. They describe an engaged employee as one who is aware of the business objectives that their organisation would like to achieve and who works alongside their colleagues in order to achieve them.

And finally Gatenby, Rees, Soane and Truss, (2008, p, 3), in an interim to the CIPD define employee engagement as *"being positively present during the performance of work by willingly contributing intellectual effort, and experiencing positive emotions*

and meaningful connections to others".

In analysing these definitions it is clear they all have similar characteristics. Drawing from these characteristics it is clear that employee engagement is when employees having a positive state of mind towards their work and their organisations values. When employees have a positive mindset towards their job it will help them become more engaged and passionate about their work, which then increases their levels of dedication and commitment to their work and allows them work alongside the organisation to improve performance and production levels.

In contrast to an engaged employees, Khan, (1990, p. 694), defines a person who is disengaged as *"the uncoupling of selves from work roles; in disengagement, people withdraw themselves physically, cognitively, or emotionally during role performances".* Reflecting on Khans definition a disengaged employee can be described as being detached from the organisation, and will be reluctant to exert themselves when carrying out their duties. For example, they arrive and leave on time, never volunteer for working overtime basically exert minimal effort.

Cataldo, (2011, p.6), describes actively disengaged workers as *"the most damaging employees in the workplace",* as they continuously speak badly about the organisation to their colleagues. This in turn can have an effect on their colleague's work, by constantly expressing their unhappiness within the organisation.

This leads the researcher on to ask the question; what percentage of the workforce is actually engaged and what percentage is disengaged?

A survey carried out by the Corporate Leadership council, based on a sample of 50,000 employees showed that 13% of employees are the "Disaffected" (actively

disengaged), and 11% are "True Believers" (actively engaged). The remaining 76 % of employees can be referred to as "Agnostics" who are described as employees that neither exerts themselves in their work nor do they put minimal effort in, and they tend to have moderate levels of commitment, which means there are considerable variations when it comes to their intent to leave (The Leadership Council, 2004, p.7).

Figure 1.0: Levels of Engagement outlined by the Leadership Council 2004.
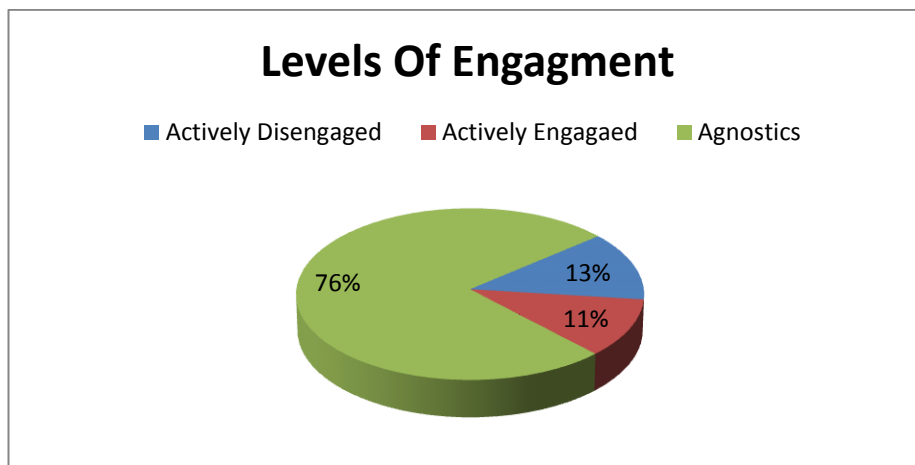
Benefits of employee engagement:

Having high levels of employee engagement can have a number of benefits as it creates a positive atmosphere in the business environment which results in employees having a positive attitude towards the organisation, which in turn increases an organisations level of productivity (Sundaray, 2011). *"When employees are not engaged in their organisation it will affect levels of performance, through higher absenteeism, higher turnover, lower productivity, and a recruitment and training cost"* (AbuKhalifeh & Som, 2013, p.41), therefore when an employee is engaged they are more likely to stay committed to an organisation, and work alongside the organisation to achieve its goals and objectives (Bakker, et al, 2012). This consequently results in higher levels of performance.

According to Ajzen (1985), as cited by Allameh et al, (2012, p.386), *"an individual is more likely to undertake certain behaviour if he/she has a positive attitude toward undertaking the behaviour"*. Thus when employees have a positive outlook on their organisation it will result in higher performance and commitment levels among the employees.

During this economic climate employees are expected to be proactive and committed to high quality performance standards (Rothmann & Rothmann JR, 2010). This can be achieved through organisations engaging their employees (Rothmann & Rothmann JR, 2010).

From analysing various academic literatures (Rothmann, et al, 2010, Sundaray, 2011, Mendes & Stander, 2011, Stander & Rothmann, 2010 and AbuKhalief et al, 2013) it can be seen that there are generally three components of employee engagement physical (being physically involved in a task and exerting energy), cognitive (being involved in the workplace) and emotional (showing dedication and commitment to ones work).

As engaged employees are enthusiastic about their work it generally means they will go beyond the requirements of the job, for example; they may stay late or work through their lunch in order to accomplish the objectives they are trying to achieve (Dibben, et al, 2011).

Macey and Schneider, (2008), outline that employee engagement can improve employee's commitment, passion, enthusiasm and focused effort and energy in relation to their work. Similar to Macey, et al, (2008), Cook, (2008), Bakker, Schaufeli, and Howe (2003) also outline some positive key elements that can be achieved through employee engagement which include; higher productivity levels,

job satisfaction, motivation commitment, low attrition rates, increased passion and commitment to the organisation, a high energy working environment, a greater sense of team, higher levels of customer satisfaction, reduced absenteeism and higher profitability. This is supported by research conducted by Murlis and Schubert, (2001), the hay group found that professional services organisations with engaged employees were up to 43% more productive, and also from research conducted by Gallup (2006) that shows that engaged employees are more productive, more customer focused, less likely to leave the organisation and are more profitable than their counterparts.

The Hewitt engagement model (Hewitt, 2013) illustrates three key behaviours that determine the levels of employee engagement within an organisation. They include say, stay and strive.

- Say: Is when employees speak positively about the company and their colleagues. This shows job satisfaction and can be hugely beneficial to an employer's branding.
- Stay: Employees are committed to their company, which reduces the level of turnover. This in turn reduces costs for the company in regards to recruitment and selection.
- Strive: Employees work to the best of their ability and exert their levels of energy, so that they can contribute to the success of their company.

Looking at an employee's attachment to, identification with and involvement within the organisation can determine how committed and engaged they actually are (Allen& Meyer 1990). Cook (2008) supports the Hewitt engagement model by outlining that if there is an increase in productivity, a reduction in turnover rates and

absenteeism rates, increased passion and energy among employees and a more positive environment then high engagement levels will be generally seen within that organisation.

Although there are a number of benefits with employee engagement there can also be implications. The Institute of Employment Studies (2004) illustrates that engagement levels can drop as employees get older and they can also be affected as the length of service increases (Robinson, Perryman, & Hayday, 2004).

In order for organisations to improve levels of engagement and reap the benefits associated with it there are a number of factors they must look at first.

Factors of employee engagement:

There are a number of factors that can affect employee engagement and in order for organisations to determine what factors will be the driver of engagement in their organisation it is important that they have a clear understanding of what is uniquely important to their employees (Howe, 2003). The researcher will now discuss each factor separately.

Rewards:

Reward strategies can be described as management's key lever to creating higher levels of employee commitment and employee engagement (Bratton & Gold, 2007). When taking into account a conceptual model (Figure 1.0, below) by Fombrun, et al, (1984) as cited in Bratton, et al, (2007), reward strategies can be seen as an important factor, as it generates higher levels of commitment amongst staff, which in turn create higher levels of performance (Bratton & Gold, 2007).

(Figure 1.1 Adopted from Fomburn, et al, 1984)

It is important for organisations when implementing and designing their reward strategies that they align their reward incentives with the organisations objectives to ensure they are delivered (Torrington, et al, 2008). Their strategy must also have the ability to meet certain objectives, for example; attract the right calibre, lowering turnover rates, motivating staff and to help develop and maintain good employer branding (Torrington, et al, 2008).

There has been evidence from data collected by Gomez-Mejia and Balkin, 1992, as cited by Torrington, et al, (2008), that showed, organisations with the most attractive reward packages have lower turnover rates than those who pay poorly and have poor reward incentives. Gunnigle, Heraty, & Morley, (2011, p.166), support this when they express that *"Reward management has become especially important in helping to attract and retain talent and also in influencing engagement, performance and behaviour at work"* However although offering attractive reward packages is beneficial to all organisation it all depends on their affordability (Torrington, et al, 2008). Economic and social factors shape reward systems, and with today's ever changing economic environment, it has resulted in changes being made too many

reward packages organisations provided (Bratton, et al, 2007). This is due to the fact that reward packages are one of the largest costs incurred by all organisations (Gunnigle, et al, 2011).

There are generally three aspects of a reward package and when broke down they include, namely, pay, incentives and benefits. Gunnigle, et al, (2011, p. 167) gives an explanation of these three factors, *"Pay refers to the basic wage or salary that an employee receives. An incentive refers to the rewarding of an employee for effort that results in higher performance that goes beyond normal performance expectations and benefits refer to indirect rewards, such as health insurance cover and pension entitlements associated with organisational membership".* These three factors of the reward package are the factors that help attract, retain, and influence employee's performance and behaviours at work (Gunnigle, et al, 2011).

The importance of attracting and retaining employees with the right calibre is to help maintain an efficient performance culture (Torrington, et al, 2008). It is crucial that a planned approach to reward is taken (Torrington, et al, 2008). Getting it wrong can have negative consequences which can result in employees being de-motivated, higher levels of absenteeism, an increase in poor performance levels, higher attrition rates and create low staff morale (Torrington, et al, 2008). This is why it is important to have a clear understanding as to what is uniquely important to your employees and what factors will be their engagers.

Recognition is another part of the reward package which is simply recognising the work carried out by your employees and then rewarding them. AbuKhalief and Mat Som, (2013), explain that employees need to know that management recognizes and supports the work they do for the organisation. Many employees will expect day to

day informal recognition, which is simply praising them on their work daily. Providing them feedback is also beneficial as it will allow them improve their levels of work (AbuKhalifeh, et al, 2013). This will in turn motivate them to work to the best they can in order for them to contribute to the success of the organisation (AbuKhalifeh, et al, 2013).

Mone, Eisinger, Guggenheim, Price, & Stine (2011), explain that recognition can also be a form a feedback that gives an employee a sense of support from their organisation which helps them in their accomplishment of a certain goal or task. It is evident through this that recognition is done through effective communication between the employer and the employee and also gives them a sense of involvement.

Employee involvement and Effective Communication:

Rayner, and Adam-Smith, (2009, p. 29), give a simple explanation of employee involvement they believe it *"is a process usually initiated by management to increase the information given to the employees in order to enhance their commitment to the organisation and its business objective's".* In other words, by giving employees a sense of belonging and responsibility they feel more involved and important within the organisation.   Robinson, et al, (2004) explain that employee engagement requires a two way relationship between the employer and the employee that continuously needs to be developed and nurtured in order to maintain the levels of engagement. Thus meaning they need work together and communicate with one another.

Dibben, et al, (2011), explains that Employee involvement can often be considered a key aspect when looking at employee engagement. This can be where employees are included in the decision making process or the implementation of new strategies that

affects their work (Rees, et al, 2010). When an employee feels involved in an organisation they feel that what they do is important (Sundaray, 2011), this results in the employees becoming more committed. If however, employees are given a sense of involvement, yet their opinions are not considered can have a negative effect on commitment levels. This is due to the fact that organisations are not following through on what their promising (Rayner, et al, 2009). If appropriate decision making processes are in place and followed for example; consultation, implementation and evaluation mechanisms then negative outcomes can be avoided (Rayner, et al, 2009).

Employee involvement is largely based on effective communication throughout the organisation (Rayner, et al, 2009) and allowing employees have a voice is important when looking at engagement (Rees & French, 2010). This can be developed through having appropriate and effective communication channels that allows an upward, downward communication process, which will in turn help create a more open and trusting environment, which results in higher levels of employee engagement (Attridge, 2009).

Reece & Brendt (2008), explain that although people communicate on a day to day basis, it does not mean that they are communicating effectively. It may be assumed that the message given or received is understood, yet it could be completely misinterpreted (Reece, et al, 2008). The fact that today's workforce is so diverse and many cultures and nationalities are working together it is important that they understand their cultural differences for effective methods of communication (Reece, et al, 2008), for example what means something in one culture may not mean the same in another. If management do not have a good understanding of their

employee's values and beliefs it can often result in miscommunication. This can be due to a lack of cultural intelligence; *"Cultural intelligence is the ability to exhibit certain behaviours, including skills and qualities, which are currently tuned to the attitudes and values of others"* (Kawar, 2012, p.107), Examples of these include;

- Linguistic intelligence
- Spatial intelligence and
- Interpersonal intelligence

Linguistic intelligence:

Linguistic intelligence refers to how things are said may mean one thing in one language and another in a different language (Kawar, 2012, p.107).

Spatial intelligence:

Spatial intelligence is in relation to different cultures having different perceptions of personal space (Kawar, 2012, p.107).

Interpersonal intelligence:

Interpersonal intelligence is about understanding people and their motivations (Kawar, 2012, p.107).

Cultural knowledge is achieved over time and through training and development effective communication processes can be developed. There can be two forms of communication impersonal and interpersonal (Reece, et al, 2008). Impersonal is generally the transfer of basic information such as policies, procedures and financial data to employees, whereas interpersonal communication is the interaction of employees, for example; sharing, discussing and arguing (Reece, et al, 2008).

The organisational structure and design can also have an effect on communication

processes. Rees, et al, (2010, p. 150) support this when they define the organisational structure *"as the intended pattern of tasks, responsibilities, lines of authority and networks of communication in an organisation"*. The structure of an organisation can affect communication processes for example some organisations may have a number of hierarchical levels, otherwise known as 'top down' communication process, while others may have a 'Flat' structure where communication processes are generally more open. An example of this would be whether decision making lies in the hands of senior management or whether employees are allowed participate and are involved in the process (Rees, et al, 2010).

The importance of employee involvement and effective communication processes is clear, as it helps improve performance and commitment levels. This guides the researcher on to discuss the importance of organisations having a vision and communicating it to the employees. They must have a clear understanding of what the organisation is trying to achieve and how they can help to achieve it.

Vision and Role Clarity:

Having a vision that you believe in can motivate your employees to work towards achieving it as they may feel inspired by it (Cooke, et al, 2011). In addition to having belief in your vision it is important that employees have a clear understanding of what the organisation is trying to achieve. It is important that employees know what is expected from them in their role, so that they know what objectives their working towards (Cooke, et al, 2011).

Alike Cooke, Sudaray (2011), believes that employees should have a clear understanding of their organisations values, their ethical standards and what exactly their trying to achieve. This is important because if employees agree with how the

organisation operates and believe in what they are trying to achieve, it will in turn improve the employee's engagement levels.

Bhatti & Nawab, 2011, discuss that if employees do not have role clarity it can result in them not meeting their goals and objectives. If there is lack of information delivered to the employee about their role and what is expected from them it can leave them with an ambiguous perception of their role (Bhatti, et al, 2011).

Drawing from this the researcher believes that organisations could communicate their vision and ensure role clarity among employees through training and development programmes. If employees feel like they are being invested in, it will result in them becoming more committed to the organisation and involved within the organisation (Armstrong, 2012).

Training and development:

Identifying and managing talent within an organisation can often determine their 'survivability' and their 'sustainability' (Berger & Berger cited in Ahmadi, Ahmadi, & Abbaspalangi, 2012). It is important that talent is managed appropriately in today's tight labour market as an experienced and talented workforce is scarce (Ahmadi, et al, 2012). In other words the retention of staff with appropriate skills can be hard in such an environment.

By investing in human resources and developing their talents it gives them a sense of belonging within the organisation, which in turn promotes employee satisfaction (Ahmadi, et al, 2012). It also helps maintain and promote the organisations competitive advantage (Ahmadi, et al, 2012).

It has been cited that when organisations have a lack of training and development

programmes it can be a prime reason for high staff turnover (Sundaray, 2011). Through the training and development of employees it can lead to them acquiring new skills which may trigger a new interest in their job (AbuKhalifeh, et al, 2013).

As outlined by Gold, et al, (2010), there are various training needs which include,

- Knowledge
- Skills and
- Attitudes

Knowledge:

Gunnigle, et al, (2006, p. 229) express that *"that the primary source of competitive advantage in the future is sharply focused on creating new knowledge that is disseminated through the company and which in turn, leads to continuous innovation",* thus through training and development organisations are continuously educating their employees, enhancing their knowledge and skills, which improves levels of performance. This in turn gives them a prime source of competitive advantage. It can also create a sense of commitment and loyalty towards the organisation which in turn helps organisations operate successfully (Gold, et al, 2010). Employees are an organisations intellectual capital, which when invested in through training and development, they improve their skills and attributes that helps the organisation meet its goals and objectives (Gold, et al, 2010).

Skills:

Although employee's level of knowledge is very important it is important they also have the skills to apply their knowledge, for example they need appropriate competencies in order to carry out the tasks efficiently (Gold et al, 2010). For example if a mechanic was asked to work in a bank he/she would not have the

appropriate skills to carry out the job required.

Attitudes:

Gold, et al, (2010, p.112) describe an attitude as *"a mental state of a person which can be positive or negative, affecting judgements, decision making and motivation"*, consequently this means attitudes can affect how employees behave and carry out their work. Similar to Gold et al, Armstrong, (2012), expressed that *"people will learn more effectively if they are motivated to learn"*, in other words a person's attitudes toward learning can affect how effective the learning process is.

Armstrong (2012, p.293-295), illustrates a number of approaches that can be taken towards learning and development, which include; workplace learning, coaching, mentoring, and e-learning. Torrington, et al, (2011), also discuss these factors, however they also discuss off the job the methods of training and development which would be through the organisation sending their employees on educational training courses.

Although training and development can be costly and time consuming, if employees feel they are being invested in and are an asset to their organisation it will help sustain their levels of engagement (Ahmadi, et al, 2012).

Another factor which helps maintain levels of engagement is work-life balance.

Work-life balance:

Armstrong (2012) describes work-life balance as the balance an employee has between their responsibilities at work and their interests and responsibilities outside of work.

Dibben, et al, (2011) discusses the importance of a work-life balance, as it

contributes and can affect levels of engagement. Where an employee feels their forced to work long hours, which affects their social and family lives, it can cause them to become disengaged to their work (Dibben, et al, 2011). However when employee's uphold a work-life balance, it can create positive emotions within them, which help them become more sensitive and helpful towards others (Bakker, et al, 2012). It also helps them become more confident and optimistic about their work (Bakker, et al, 2012).

Scholars and Marks (2004), as cited in Bratton and Gold (2007), gathered evidence through research that shows having work-life balance policies in an organisation can motivate employees and also attract and retain employees with the right calibre for the job. Surveys conducted by the IRS (2002) and CIPD (2005) also cited in Bratton and Gold (2007) show evidence that employers implement work-life balance policies for recruitment and retention purposes. This shows that having appropriate work-life balance policies in place result in a happier workforce, which in turn leads to a dedicated and committed workforce.

It is important that organisations look at these factors as employees need to be certain that management support, recognises, believes and listen to their contributions to the organisations as it will affect their levels of engagement (AbuKhalifeh, et al, 2013). It was also shown through a study conducted by Schaufeli, Taris and Van Rhenen (2008), that engaged employees were not only happier then disengaged employees but also that they were healthier. It showed that engaged employees reported less psychometric complaints then the disengaged.

From analysing and interpreting these different factors it is clear to the researcher that if implemented properly it will create competitive advantage for an organisation.

They all play a certain role when it comes to employee engagement; however some factors might work better as engagers in certain industries then others. For example there will be different factors used as engagers in the banking sector then there would be in the retail industry.

Drawing from these various drivers of employee engagement the researcher illustrates the factors through in figure 1.2 below:
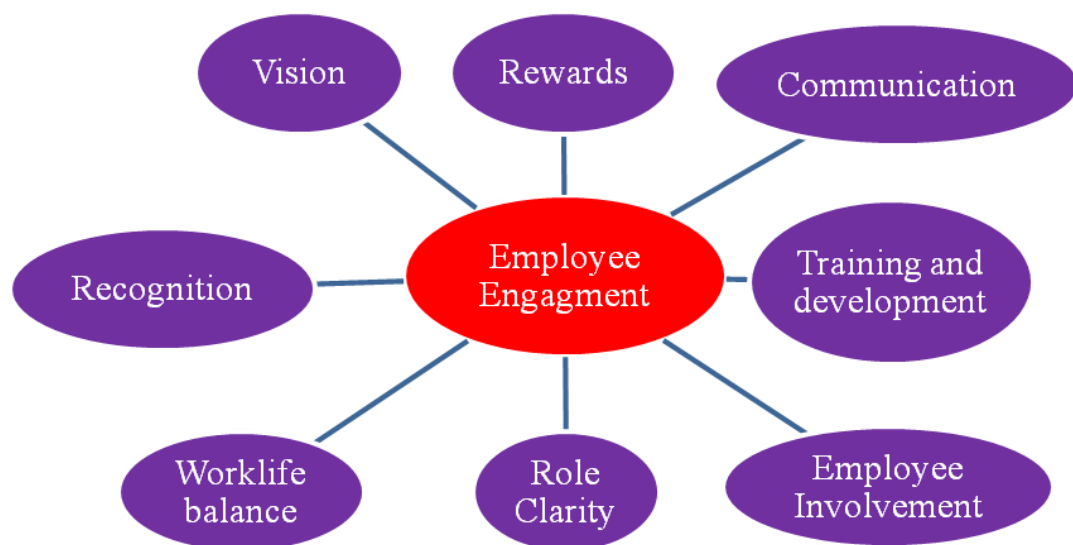
Figure 1.2 Factors that influence Employee Engagement.

How is employee engagement measured?

An accurate measure of engagement is one that identifies that factors associated with engagement in your organisation and a solution to address the problems that are hindering it (Right management, 2013).

Many organisations use surveys to measure the levels of engagement and the factors associated with it (Armstrong, 2012). They provide a foundation to allow organisations to develop and implement engagement strategies, through analysing

and assessing the information collected, and then taking action by implementing strategies (Armstrong, 2012).

Van Rooy, Whitman, Hart & Caleo (2011), explain that surveys can be viewed as giving organisations the opportunity to get a better understanding of how to engage employees and discover how they become more efficient. Purcell (2010) illustrates the importance of having the survey well designed and also having confidence amongst the employees and senior management in order for the survey to be effective. He outlines ten key stages to ensure the survey is conducted effectively. They include; top management active support, alignment with business strategy, involve employees in the design, decide on the arrangements of the survey, encourage everyone to take part, ensure confidentiality, look at the questions your asking, benchmark the questions to compare results, analyse results, and report back and take action.

Top management active support:

Employees must feel that top management are supporting the survey and taking it seriously, for the reason that if they don't feel senior management are taking it seriously then they won't.

Alignment with business strategy:

The questions must be aligned with the with the business objectives, for example if innovation is a prime aspect of the organisation or if they want to tackle absenteeism.

Involve employees in the design:

It is important that the survey includes subjects that are of importance to the employees.

Decide on the arrangements for the survey:

Will all employees be asked to take part in the survey or only a sample and also will it be conducted online or through a soft copy.

Encourage everyone to take part:

It is important that all employees that are involved in the survey are encouraged to participate, as the organisation will get a broader perspective.

Ensure confidentiality:

Confidentially is crucial if you want employees to be honest in the survey. They want to be sure that their answers cannot be traced back.

Look at what questions you asking:

The questions should be focused on measuring levels of engagement for example, levels of trust, loyalty, involvement, responsibility, communication, how they feel about the workload and also their perception of the organisation.

Benchmark the questions to compare results:

The survey should be seen as a continuous process not just a once off and the results should be benchmarked against other industries to see how engaged their workforce is.

Analyse results:

When the results are analysed it will give the organisation a better understanding of the levels of engagement.

Report back and take action:

It is important feedback is given to employees and also a report of what action is going to be taken to improve the working environment.

Focus Groups are another approach that can be taken to measure employee engagement (Cook, 2008). This approach however lacks confidentiality which may lead to the employees not feeling comfortable to be open and honest (Cook, 2008). However if this approach is taken it is important that a trained facilitator carries out the process so that employees don't feel that the facilitator will be bias towards their opinions. This helps them voice their honest opinions. The facilitator could also ask them to write what they would like to see change the most so that their opinions are not influenced by others.

How Employee engagement links with Motivation:

Through the analysis of the literature surrounding employee engagement it has become evident that a number of factors associated with employee engagement are also associated with motivation. This is supported by Frank, Finnegan and Taylor, (2004), when they noted that employee engagement is strongly linked with classical theories of motivation.

There are two types of motivation extrinsic motivation and intrinsic motivation, Armstrong, (2012, p.182), describes them as;

"*Extrinsic motivation occurs when things are done to or for people to motivate them, including rewards such as incentives, increased pay, praise, or promotion, and punishments such as disciplinary action, withholding pay, or criticism. Intrinsic motivation is provided by the work itself and is associated with employee engagement*".

The two motivational theories that the researcher found most related to employee engagement is Maslow's hierarchy of needs and Herzberg's two-factor theory.

The needs theory has a considerable amount of face validity (Armstrong, 2012). It presents five levels of needs that individuals need met in order for them to be motivated (Armstrong, 2012).
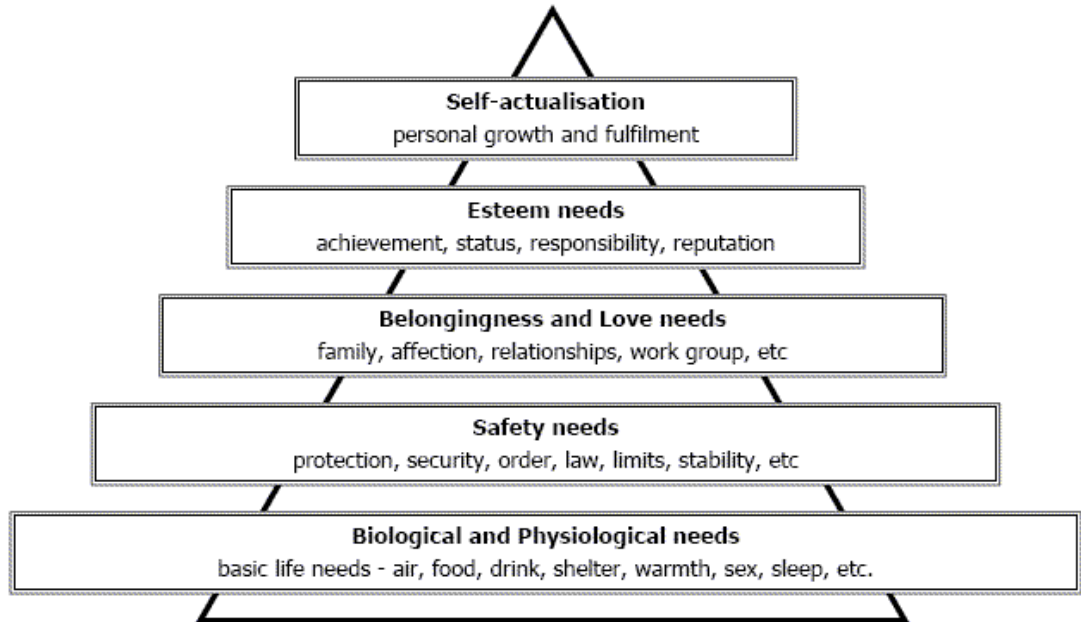
Figure 1.3 Maslow's Hierarchy of Needs 1943 (Sourced from Econsultant.com, 2013,*Maslow's Hierarchy of Needs 1943).*

The most basic need is outlined first leading up to the most sophisticated (Beardwell et al, 2007). When the basic needs are fulfilled they lose their strength and the next level needs to be activated. Maslow described it as people moving up the hierarchy one at a time (Beardwell et al, 2007).

Although the needs theory is fulfilling individual's needs in order to satisfy, engage and motivate them it has been criticised for a number of reasons. Gunnigle et al, (2006), state that it has been criticised for the fact Maslow's hierarchy is based on human behaviour and motivation in general rather than being centrally designed to

the workplace. Armstrong, (2012), state that it has been criticised for its rigidity as everyone is different therefore they will be motivated by different things at different stages. Gunnigle et al, (2006) describe Maslow's hierarchy as *"a convenient way of classifying needs, but has limited utility in explaining work behaviour"* it simply highlights the importance of meeting peoples everyday needs.

Looking at employee engagement in relation to these levels the researcher outlines how they refer to engagement, level I refers to an individual's most basic needs on a day to day basis, level II refers to pay, rewards and salary, Level III is in relation to friendships at work, appreciation and feeling involved and appreciated in the workplace, level IV acknowledges a person's need for recognition and finally Level V is when an employee is engaged.

Maslow's hierarchy of needs is closely related to Herzberg's two-factor theory (Beardwell et al, 2007), also known as the motivator – hygiene theory suggests there are two factors in the workplace that motivate staff, the motivators and the hygiene factors (Morley et al, 2004). Motivators are more so intrinsic factors, which include opportunity for personal growth within the company, knowing they have done the job well, having responsibility and also recognition from management on their good work (Armstrong, 2012; Beardwell et al, 2007). In contrast to this hygiene factors can be seen as extrinsic factors, which include, rewards, pay, salary, bonus and company policies (Armstrong, 2012; Beardwell et al, 2007).

Whilst carrying out his research Herzberg argued that the hygiene factors would only satisfy employees but not actually motivate them to exert themselves to meet the organisations goals and objectives. However he believes that if organisations ensure the motivator needs are met it will in turn motivate staff to their fullest (Beardwell et

al, 2007). Therefore if management focused on the involvement of staff it would motivate them to develop themselves within the organisation (Armstrong 2012; Beardwell et al, 2007).

One of the main criticisms for the Herzberg theory is "*his assertion that money is not a motivator*" (Morley et al, 2004, p.150). Armstrong, (2012) also states that it has been strongly criticised at the fact that the theory assumes everybody has the same needs. Nevertheless in contrast to these criticisms Bassett, Jones and Lloyd, (2004); as cited in Beardwell et al, (2007), carried out and analysed research to see if Herzberg's theory was still relevant. The research was conducted on over 3200 individuals and the results showed that money was not a primary source of motivation.

Herzberg (1987) outlined a number of factors that can achieve the motivation of employee's They include; Reducing time spent at work, spiralling wages and fringe benefits, human relations training, communication and two way communication and employee counselling. The researcher will now show the link between factors associated with employee engagement and the factors outlined by Herzberg (1987), Reducing time spent at work (work-life balance), spiralling wages and fringe benefits (rewards, pay and benefits), human relations training (training and development), communication and two way communication (employee involvement and effective communication) and employee counselling (coaching).

Chapter Three Methodology:

Introduction:

This chapter outlines the methodological structure in terms of the research strategy and design that was implemented to allow the researcher conduct this research project. Saunders, Lewis and Thornhill, (2007, p.5), define research as the collecting and analysing of information in a systematic way in order to find something out. The researcher will also discuss which methodology she taught would be best applied and yield the best results, along with the strengths and weaknesses of the approach. A profile of the participants together with a consideration of ethical issues and possible limitations will also be described. Saunders et al, (2009), describe this research process through the concept of a research opinion, which is illustrated in figure 1.4. It outlines the stages we must go through that we must go through to get to the central point. It consists of six layers, the first being research philosophy, then the research approach, the research strategy, the research choices, time horizons and finally the techniques and procedures used.
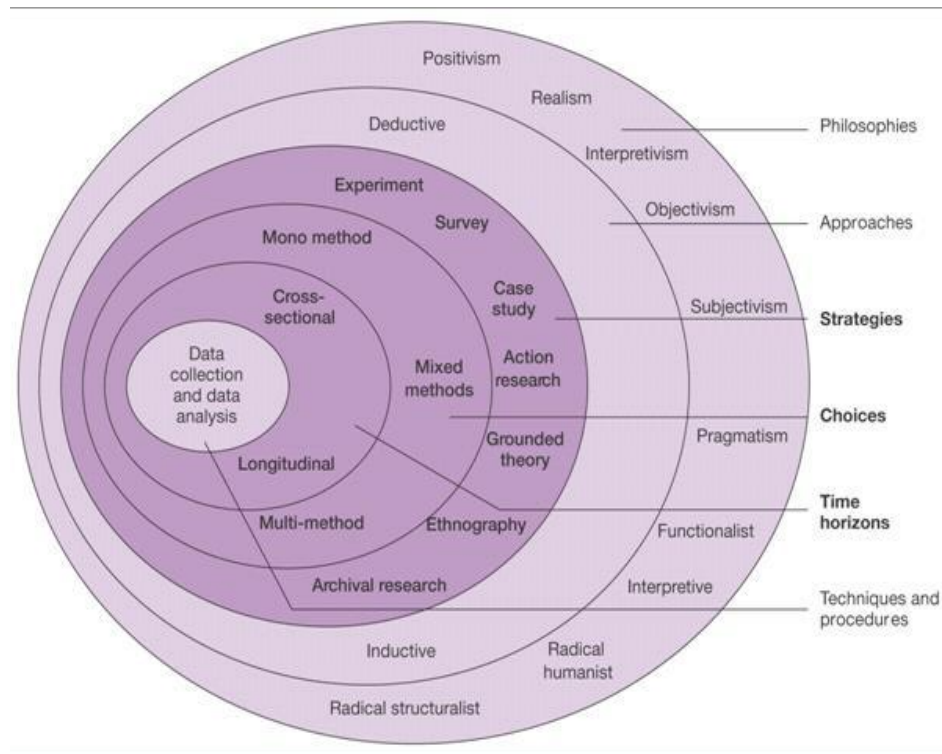
Figure 1.4: The Research Onion
Source: Mark Saunders, Philip Lewis and Adrian Thornhill 2007

The reiterate the researchers objectives:

- To identify how financial institutions define employee engagement.

- To outline what factors financial institutions associate with employee engagement.

- How financial institutions measure employee engagement.

- And to discover what are the benefits of having high levels of engagement within this industry?

Research Philosophies:

Saunders et al, (2007, p, 101), explains that research philosophy *"is an overarching term which relates to the development of knowledge and the nature of that knowledge"*, in other words it includes important assumptions made by the

researcher about the knowledge and the process by which the knowledge is developed. This will ultimately depend on the research question one is looking to answer, and will assist the researcher in getting a better understanding of how they want to approach their study. Saunders et al, (2009), explain that one's research question plays an important role in determining what approach they take towards their study. In establishing an approach to take the researcher looked at epistemology which is concerned with *"what constitutes acceptable knowledge in a field of study"* (Saunders, et al, 2007), p.102). There are three sub categories of epistemology which include; positivism, Realism and interpretivism.

Positivism:

The positivist approach is generally taken when the researcher prefers *"working with an observable social reality and that the end product of such research can be law-like generalisations similar to those produced by the physical and natural scientists"* (Remenyi, Williams, Money, and Swartz, 1998, p.32). Meaning this approach would be adopted if the researcher prefers to work with facts rather than impressions or opinions.

Realism:

Similar to positivism, realism, is another scientific enquiry as *"it assumes a scientific approach to the development of knowledge"* (Saunders, et al, 2007, p.105). It generally consists of collecting of data and the analysing of that data, consequently resulting in the researcher taking a quantitative approach, which will be discussed further in the research approach.

Interpretivism:

Saunders, et al, (2007, p.106), describes interpretivism as an epistemology *"that*

advocates that it is necessary for the researcher to understand differences between humans in our role as social actors". Through this definition they highlight the difference between conducting research on people rather than objects. An example to illustrate this would be that individual's carry out their day to day jobs in accordance with their interpretation of such jobs (Saunders, et al, 2007).

In this case the researcher has decided to use an interpretivist approach as the research questions sets out to get a better understanding of employee engagement within the Financial services industry in Ireland. This therefore means that the researcher will be able to interpret other people's perspectives on employee engagement, as they will all have different opinions and experiences in relation to it. Saunders, et al, (2007, p.107), supports this statement from the researcher as they point out the fact that it has been argued that *"interpretivist perspective is highly appropriate in the case of business and management research, particularly in such fields as organisational behaviour, marketing and human resource management".*

Research approach:

It is also important for the researcher to determine whether an inductive or deductive approach will be most effective for them when analysing the data (Saunders, et al, 2007).

Taking a deductive approach is mainly used for quantitative research, which generally refers to the data being numerical and can sometimes incorporate the use of statistics, *"It can be seen as a structured means of gathering data"* (Quinlan, 2011). In contrast to this an inductive approach is used to conduct qualitative research, meaning the data is of non-numerical kind, i.e. conducting interviews (Bryman & Bell, 2011).

The researcher in this case decided to take an inductive approach in accordance with the interpretivist philosophy which was adopted. As mentioned previously the inductive approach is qualitative in nature and generally refers to the use of interviews to gather the necessary data (Bryman & Bell, 2007). This approach also allows you to be more interpretive and more flexible when collecting the data then the deductive approach (Ghauri & Gronhaug, 2005).

Research strategy:

The researcher took a number of factors into consideration when choosing which research strategy would be best adopted, they included, existing knowledge, time constraints and resources available at the time the research was conducted and also the topic of research, which in the case was a study of employee engagement in financial institutions in Ireland. This led to the researcher adopting an exploratory research approach (Saunders, et al, 2007). Robson (2002, p.59) describes an exploratory study as *"what's happening; to seek new insights; to ask questions and to assess the phenomena in a new light"*. The researcher felt this would be the best suited approach to enable her to answer the research question and objectives.

Saunders et al (2007, p. 133) have demonstrated three principle ways of conducting exploratory research, which include;

- A search of the literature
- Interviewing experts in the subject
- Conducting focus group interviews

The researcher in this case analyzed various academic literatures via article and books and also studied various websites and magazines appropriate to the area of

study i.e. secondary data (Saunders, et al, 2007). Interviews were also carried out with 8 managers that monitored employee engagement within their branches. Through adopting this approach valuable data was collected and analyzed.

Research choices:

Bryman, (2008) describe research choice as a technique for collecting data which involves the use of certain instruments for example a survey an interview or through the use of both. There are three methods that the researcher can choose from, mono-method, multi-method or mixed methods (Saunders, et al, 2007).

Saunders, et al, (2007), explains that the term multi-method refers to the use of more than one data collection technique but is restricted within either a quantitative or qualitative category. An example of this through a qualitative perspective would be through the use of structured interviews and focus groups to collect the necessary data.

Another approach that can be taken is the mixed method approach (Creswell, 2003); this is the integration of quantitative and qualitative research methods (Bryman, 2006). An example of this would be gathering data through conducting structured interviews and also gathering data through questionnaires or surveys.

And the final method can be known as the mono-method, which is used when the researcher chooses to use a single data collection technique, either qualitative or quantitative (Saunders, et al, 2007).

Sekran and Bougie, (2009), explain that although interviewing has the advantage of being quite flexible, questionnaires have the advantage of collecting data more efficiently in terms of time and cost.

The chosen method of the researcher is the mono-method due to the fact that a qualitative approach had been adopted. The researcher collected the data through semi-structured interviews. This was to allow the researcher to explore interviewee's perspective on the research topic. It also gave room to ask the interviewee to further explain their answer with the use of examples if needed. This flexible, loose structure allowed for rich and complex data to be collected (Cameron & Price, 2009).

It is important however when the researcher is conducting interviews that they have an open mind, and it is also important not to ask leading questions or influence the interviewee in their or it will affect the reliability of their research (Cameron & Price, 2009).

Time Horizons:

Due to the fact that the researcher undertook this dissertation through an academic course there were time constraint. The time horizon adopted in this study can be referred to as cross-sectional (Saunders, et al, 2007). This cross-sectional study employed the use of interviews to get a better understanding of the factors affecting the banking sector at that particular time.

Data Collection:

As mentioned previously the chosen technique of the researcher to collect the data is interviews due to the interpretivist approach being adopted. The researcher chose this approach as it was less structured and more flexible (Robson, 2002).

Firstly the researcher must develop the research questions that are relevant to their research topic that will be asked in the interview (Bryman & Bell, 2011). In this case

the researcher asked eight questions surrounding the topic which collected rich and valuable data.

The next important step is finding the appropriate companies to conduct the interviews with and determining which individuals will be best to speak to, that has the most valuable knowledge in the area of study. As the area of study was employee engagement in the banking sector the researcher conducted interviews with management from Company A, Company B, Company C and Company D.

The researcher adopted a semi-structured approach when conducting the interviews (Quinlan, 2011). This approach is flexible and allows the researcher to explore and get a better understanding of the participant's views and feelings towards the topic of study (Quinlan, 2011). Each interview was between 20-30 minutes, and was carried out in an area which was most convenient for the participant.

Cameron and Price, (2009, p. 367), outline a number of advantages and disadvantages to conducting interviews; Interviews allow the researcher to re word the questions if needed and also draw out discussions. They are flexible, informal and allow social interaction, this gives the researcher a better chance to explore and probe for further information. Nevertheless there are also some disadvantages towards conducting interviews. The fact that there are time constraints in place means that the researcher will have a smaller sample size then if a quantitative approach was taken. They are also quite time consuming for both the interviewer and the interviewee and there is a chance that the interviewer could influence the answers unknowns to themselves with affects the credibility of the data collected. Interviews can also lead to misinterpretation of the data collected as the interviewer might hear what they want to hear.

It is important that the researcher takes these negative aspects into account when organising and conducting the interviews. As they are quite time consuming it was imperative that the researcher arranged these interviews a month prior to when they were being conducted to arrange a mutually convenient time to meet. This also allowed time for both the researcher and the participant to prepare for the interview.

It was important that the researcher remained focused throughout the interview. This was to ensure that the interview didn't go off track, and the questions asked were being answered. To avoid the misinterpretation of answers the researcher paraphrased what had been said just to ensure the data collected was completely understood.

In order to analyse the interviews a thematic approach was adopted which will be discussed further in chapter 4.

Ethical considerations:

Through conducting this research ethical principles and standards were adhered to. It was conducted with honesty and all participants were assured of confidentiality and anonymity. The researcher also observed the principles outlined by Diener and Crandall (1978), which include; no-harm to participants, informed consent, and privacy and whether deception was involved.

Harm to participants:

Harm to participants can entail a number of factors, which include; physical harm, emotional stress, harm to the interviewee's self-esteem, and also jeopardise future prospects within that company.

To overcome these issues the researcher had to conduct the interview in a safe

environment, made sure that participants felt comfortable and relaxed throughout the interview, and reassured them that the information they wanted to keep confidential would be, this was to ensure no harm to their future within the institution.

Informed consent:

This participants should be given as much information about the research topic to allow them make an informed decision on whether or not to take part on the interview.

In this case the researcher discussed with the potential research participant what exactly the research topic was about, the purpose for this study, the reason this topic was chosen and the surrounding areas of the interview questions.

Invasion of privacy:

Although the participants gave their consent to take part in the interview, the researcher had to respect the participant's privacy. If they refused to answer a particular question due to the fact that they hadn't the authority to reveal that information, then that had to be respected.

Deception:

Bryman and Bell, (2006), explains that deception can be seen to occur when researchers represent their research as something different then what it is. This is why the researcher made certain that the participants had a clear understanding of the research topic on hand.

All the individuals that participated in the interviews asked for their names and the names of the financial institutions in which they worked, remained strictly confidential. The researcher was obligated to respect this and refer to each financial

institution as Company A, B, C and D, and each participant was known as participant 1, 2, 3, 4, 5, 6, 7, 8. This was to ensure that their participation in an interview did not jeopardise their future prospects within that institution

Methodological Limitations:

As the researcher has to firstly formulate the questions, then negotiate access to individuals of interest, travelling to the meeting point, recording the interview and transcribing them it is very time consuming (Saunders, et al, 2007). It was important that the time and date was agreed on a month prior to when the interviews were being conducted. The fact that the research was carried out within financial institutions the researcher was aware that gaining access to individuals of interest would prove difficult. Therefore the researcher began negotiating access to the individuals of interest two months prior to the intended interview. The researcher got 12 individuals to agree to take part in the study. In spite of the participants agreeing to take part in the study as one suspected there would be complications and 4 of these participants cancelled due to conflicting time schedules. The researcher asked would they take part in a telephone interview if it was more convenient for them, however they felt it would be inappropriate to discuss the topic through a telephone interview.

It is also important that the interviewer had good communication skills as it was important for the participant to feel comfortable throughout the interview and also so that the researcher could guide them with regard to what they should be talking about (Bryman & Bell, 2006).

The researcher also became aware that a mixed method approach in collecting the data would have would have been a better research method to adopt, as carrying out

interviews and conducting surveys would have provided more reliable data. However due to the time constraints and the difficulty in gaining access to employees of the financial institutions the researcher adopted the mono-method approach.

Conclusion:

In this methodological chapter the process in which the research was conducted and analysed was explained it also discussed the data collection method which was used. The next chapter of this study will look at analysing and discussing the findings.

Chapter Four Findings:

The purpose of this chapter is to analyse and interpret the data collected, whilst taking into account the ethical considerations. Once the findings are outlined the research will expand on them further in the discussions.

The research was conducted in order to answer the following objectives, To:

- Identify how financial institutions define employee engagement.
- Outline what factors financial institutions associate with employee engagement.
- Discover what are the benefits of having high levels of engagement within this industry?
- Discover what do financial institutions see as the challenges of employee engagement?

In order to analyse this data a thematic approach was adopted. Braun and Clarke, (2006, p.78), explain that: *"thematic analysis provides a flexible and useful research tool, which can potentially provide a rich and detailed, yet complex account of data"*. Braun and Clarke, (2006, p.79), also define thematic analysis as a method for *"Identifying, analysing and reporting patterns (themes) within the data"*. They also explain that a theme *"captures something important about the data in relation to the research question, and represents some level of patterned response or meaning within that data"* (Braun and Clarke, 2006, p.83).

The interview findings and analysis are presented under the research objectives as headings and will be explained by the researcher separately. The re-occurring themes will be shown through a grid diagram and participants will be referred to as P. The

researcher will also outline the percentage frequency in which the themes re-occurred.

Research Objective 1: To identify how financial institutions define employee engagement.

As seen in the literature review there is no one definition for employee engagement; however they do tend to have interrelating characteristics.

When the respondents were asked how they would define employee engagement none were the same, yet they all had similar characteristics. Some of the recurring themes included; positive attitude towards their work, when working alongside the company to achieve their organisations goals and objectives, when employees were committed to the organisation, when they are motivated in their work, when employees exert extra energy in their work, when employees would go that extra mile for the organisation, when employees felt involved and when employees felt valued. These re-occurring themes are illustrated in table 1.0 below

Table 1.0: Outlining recurring themes for defining employee engagement.

Themes:	P1	P2	P3	P4	P5	P6	P7	P8
Positive attitude	X			X				X
Work with the organisation	X				X			X
Committed			X	X	X		X	
Exert extra energy			X			X	X	
Extra Mile						X	X	
Feel involved		X			X	X		
Feel Valued		X			X	X		
Motivated			X	X			X	X

Quotes to illustrate these recurring themes include;

Participant 3: *"I would define employee engagement as when employees are motivated, proud and committed, and one who exerts that extra effort to meet to organisational goals".*

Participant 5: *"When a person's general behaviour is positive, their committed when they exert extra energy in their work, and ones who are interested in working with the company to achieve its objectives".*

Participant 6: *"Someone who feels included, valued, part of the organisation, committed has high energy levels and will exert that extra effort and go that extra mile to try meeting the organisations goals and objectives.*

Figure 1.5 below shows the percentage frequency in which the themes re-occurred. 37.5% (3 out of 8) of the participants felt employee engagement was when an employee had a positive attitude towards their work, 37.5% (3 out of 8 participants) felt it was when employees worked alongside the company to achieve their organisations goals and objectives, 50% (4 out of 8 participants) felt it was when employees were committed to the organisation, 50 % (4 out of 8 participants) felt it was when they were motivated in their work, 37.5% (3 out of 8) seen it as exerting that extra energy, 25% (2 out of 8 participants) felt it was when employees would go that extra mile, 37.5% (3 out of 8 participants) said it was when employees felt involved and 37.5% (3 out of 8 participants) said it was when employees felt value.
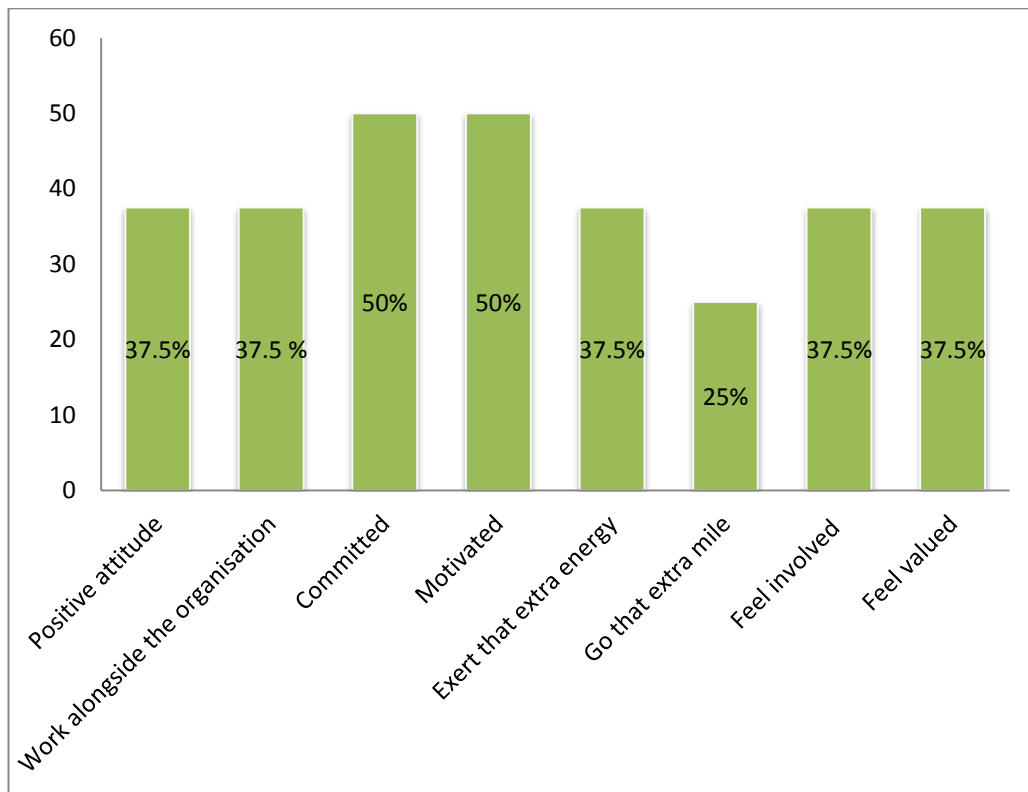
Research Objective 2: To outline what factors financial institutions associate with employee engagement:

When the participants were asked what were the factors they associated with and felt had the most impact on employee engagement there were a number of re-occurring themes. They included; recognition, honesty, involvement, communication, role clarity, feedback, involvement, rewards, training and development, trust, future opportunities, employee voice and rewards. These are outlined in table 1.1 below:

Table 1.1: Recurring Themes of the factors financial institutions associate with employee engagement.

Themes:	P1	P2	P3	P4	P5	P6	P7	P8
Communication	X	X	X	X	X	X		X
Recognition	X		X	X	X	X	X	X
Training and Development	X		X	X	X		X	X
Role Clarity		X	X	X	X		X	X
Career Opportunities				X			X	
Involvement		X		X	X	X		
Employee Voice			X	X				
Trust	X		X					
Feedback	X	X			X	X		
Rewards	X		X	X	X			

Quotes to demonstrate these recurring themes include;

Participant 4 (Company B): *"The factors we feel have the most impact on engagement are; training and development, recognition, communication, rewards, incentives, career opportunities, role clarity, honesty, participation and employee voice".*

Participant 7 (Company D): *"Recognition, role clarity, training and development, responsibility, further career opportunities within the organisation, are the factors we feel increase levels of employee engagement".*

Participant 8 (Company D): *"We would associate communication, teamwork, recognition, training and development and role Clarity as the factors have an impact on levels of engagement among employees".*

Figure 1.6 below demonstrates the percentage frequencies in which the themes re-occurred, 87.5% (7 out of 8) of the participants said having effective communication channels had an impact on the levels of engagement 87.5% (7 out of 8 participants) said that recognition would be one of the most important factors in relation to employee engagement, 75% (6 out of 8 of the participants) said that training and development had a significant impact on employee engagement as they were continuously developing their skills through the training, also they felt they were being invested in therefore made special effort in their work, 75% (6 out of 8) of participants said role clarity was an important factor in relation to engagement as when employees knew and had a clear understanding of what was expected from them they would carry out their job more efficiently. 25 % (2 out of 8 participants) said future career opportunities within the organisation have a substantial impact on levels of engagement, as if employees felt there were future career opportunities they would be more likely to participate and work with the organisation. 50% (4 out of 8 participants) said that when employees felt involved in the organisation and its future plans it would lead to them being more engaged within the organisation. 25% (2 out of 8 participants) said that giving employees a voice made them feel that what they had to say was important which had an impact on the levels of engagement. 25% (2 out of 8 participants) said that if the employees trusted there managers they would be

more likely to work alongside them, thus increasing levels of engagement. 50% (4 out of 8 participants) said that giving feedback to employees resulted in engagement levels increasing as they felt that their work was being acknowledged and by getting feedback they knew how to carry out their job more efficiently, and finally 50% (4 out of 8 participants) said that rewards had a significant impact on levels of engagement, however due to the recession there have been substantial cutbacks in relation to this factor.

Figure 1.6 Percentage frequencies of reoccurring factors associated with and had the most impact on employee engagement.
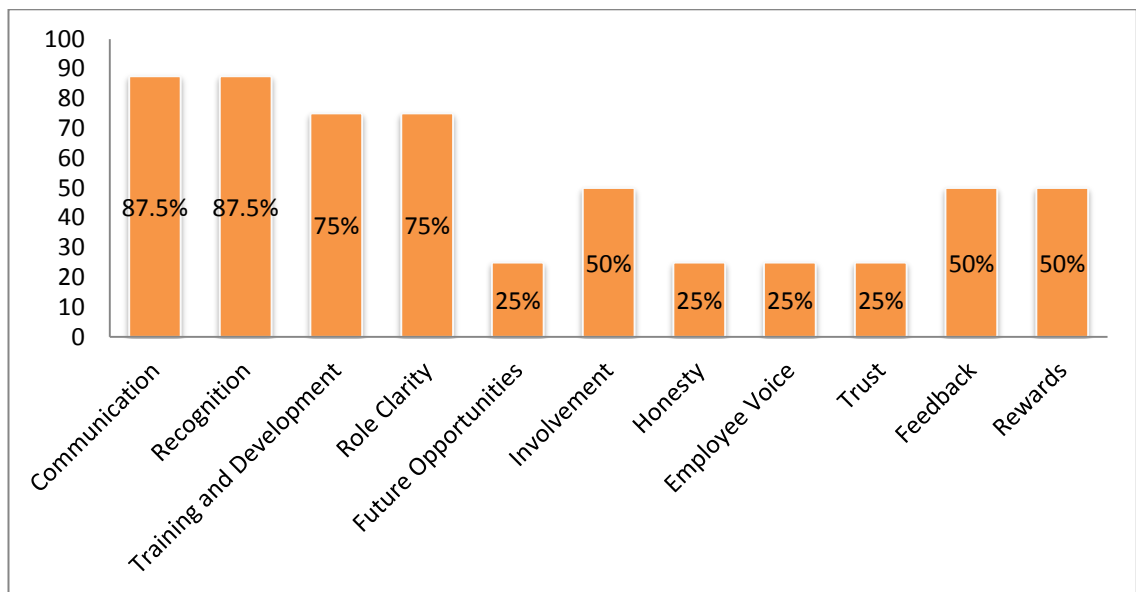
Research Objective 3: To discover what are the benefits of having high levels of engagement within this industry?

When the participants were asked what were the benefits of having high levels of employee engagement within their organisation the reoccurring themes included; Lower levels of absenteeism, higher productivity levels, lower turnover rate, a good

employer brand, attractiveness to others, a positive morale and a committed workforce. Table 1.2 outlines these reoccurring themes;

Table 1.2: Reoccurring themes in relation to the benefits of employee engagement

Themes:	P1	P2	P3	P4	P5	P6	P7	P8
Lower Absenteeism	X	X	X		X	X	X	X
Higher Productivity	X	X		X	X	X	X	X
Low Turnover	X		X	X				
Positive Morale		X	X		X	X	X	X
Committed Workforce					X	X	X	X

To exhibit these recurring themes the following quotes have been included;

Participant 3 (Company B): *"From having high levels of engagement the benefits we can see is that it gives us a good employer brand, attract and retain employees, lower levels of absenteeism, and positive morale among employees.*

Participant 4 (Company B): *"The benefits of having high employee engagement is that we have high levels staff retention, a good employer brand, attractiveness to others, achieves objectives of the organisation, and we have a low turnover rate".*

Participant 7 (Company D): *"We see that our employees are engaged when we see they are committed to their job, when they have a positive attitude, when there is better attendance and an increase in productivity".*

Figure 1.7 presents the percentage frequencies in which the themes associated with the benefits of employee engagement reoccurred. It outlines that 87.5% (7 out of 8)

of participants said that lower levels of absenteeism was a benefit of having your employees engaged. 87.5% (7 out of 8) said that it results in higher productivity levels. 37.5% (3 out of 8 participants) said having an engaged workforce resulted in an improvement of their turnover rate. This is due to the fact that if employees are happy they will give the organisation a good name as they will be less likely to talk negatively about their organisation, it will also become more attractive to the calibre they desire. 75% (6 out of 8) of participants felt that a positive moral among the employees was a benefit that was due to having engaged employees and finally 50% (4 out of 8) of participants said that it resulted in their workforce being committed to their workforce.

Figure 1.7 Percentage frequencies of reoccurring benefits associated with employee engagement.
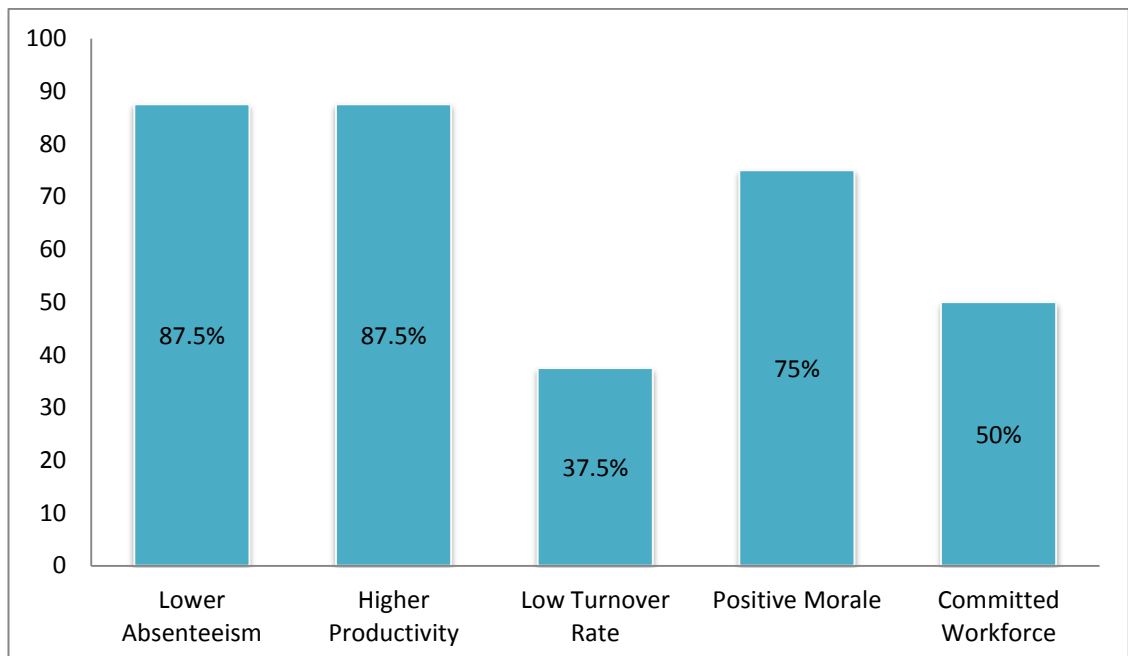
Research Objective 4: What do financial institutions see as the challenges of employee engagement?

When the participants were asked what they saw as the challenges faced with employee engagement, there was a number of reoccurring themes, which included; time consumption, the economic climate, the length of service of employees, and the age of employees. It is outlined through quotes what was said by the participants and table 1.3 illustrates these reoccurring themes.

Table 1.3: Recurring themes in relation to what financial institutions see as the challenges of employee engagement?

Themes:	P1	P2	P3	P4	P5	P6	P7	P8
Time Consuming	X	X	X	X	X			X
Economic Climate			X		X			
Length of Service			X	X	X		X	X
Employees Age	X			X		X	X	

The following quotes demonstrate the recurring themes;

Participant 1 (Company A): *"In this organisation we see trust as an implication for employee engagement if the employees don't trust management they won't work alongside them. The fact it is very time consuming is also a challenge as we have a number of other things to get done".*

Participant 4 (Company B): *"Challenges faced by employee engagement in my eyes is that engagement levels can drop as employees get older and, also as there length of service increases, it is extremely time consuming, and designing strategies to tackle problems that are affecting the levels of engagement can be difficult. We also don't want employees to become reliant on us to provide them with solutions for everything. They need to be able to work off their own initiative"*.

Participant 6 (Company C): "*We see the economic climate as a problem as it can and has affected the factors we use to engage our staff for example our rewards have been cutback a considerable amount in the last few months Another challenge we see is that we need to understand what our staff want and how to speak to them, how to provide feedback to them and how to approach them with criticism. This is especially important towards the other nationalities within our organisation, as they may misinterpret the information provided. Understanding the different cultures is very important"*.

Figure 1.8 below illustrates the percentage frequencies of what financial institutions see as the challenges faced by employee engagement. 75% (6 out of 8 participants) felt that it was very time consuming as they had a number of other things to also focus on, thus time management was essential. 25% (2 out of 8) of participants seen the economic climate as a challenge in relation to engagement as it can and has previously had an effect on the factors associated with employee engagement. 62.5% (5 out of 8) of participants felt that as employees length of service increased it had an effect on engagement levels, the reason they see this as a challenge was due to the fact they need to put in place a successful strategy that would help overcome this challenge. They worried that they may not have been able to re-engage them. Finally

50% (4 out of 8) of the participants felt age can become an implication as the older an individual gets they will have different factors that engage them.

Figure 1.8 Percentage frequencies of what financial institutions see as the challenges faced by employee engagement.
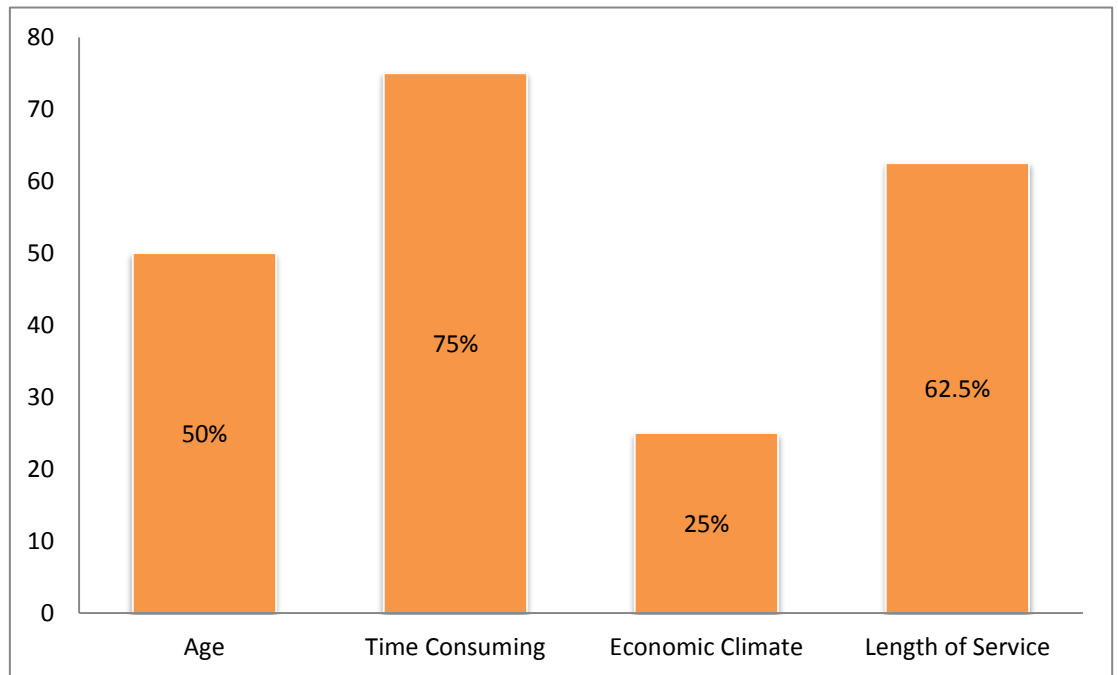
From analysing the data one has collected some valuable and complex data which will be discussed in the next chapter.

Chapter Five Discussion of Findings:

In this chapter the researcher will discuss the finding of the data analysed, and compare and contrast it with the literature that was reviewed and analysed in chapter one.

Research Objective 1: To identify how financial institutions define employee engagement.

Through reviewing the analysed data of objective one which was; to identify how financial institutions define employee engagement. There was no one definition given by the participants, which was alike the definitions illustrated by Sundaray (2011), Schaufeli et al, (2002), Robinson, et al, (2004), and Gatenby, et al, (2008), none were the same yet they all had similar characteristics. These included; having a positive attitude towards their work, working alongside the organisation to help achieve its goals and objectives, exerting that extra energy when carrying out their work, going that extra mile for the organisation be it staying late, coming to work early or taking on extra duties within the organisation, and also when the employees felt involved in the organisation.

Three out of eight of the participants felt employee engagement was when an employee had a positive attitude towards their work; this is comparable to Robinson, et al, (2004), who notes that employee engagement can be seen to occur when employees hold a positive attitude towards the organisation and its values.

It is also supported by Gatenby, et al, (2008, p.3), who explain that employee engagement is when an employee is *"positively present during the performance of work by willingly contributing intellectual effort, and experiencing positive emotions and meaningful connections to others"*.

Three out of the eight participants also felt that employee engagement was when employees worked alongside the company to achieve their organisations goals and objectives. This is alike Schaufeli, et al, (2002, p.74), when they define employee engagement *"as a positive, fulfilling, work-related state of mind...."*. It is also supported by Robinson, et al, (2004), as they describe an engaged employee as one who is aware of the business objectives that their organisation would like to achieve and who works alongside their colleagues in order to achieve them.

Four out of eight of the participants felt it was when employees were committed to the organisation, which is comparable to Sundaray, (2011, p.53), who believes that employee engagement is *"the level of commitment and involvement of an employee towards the organization and its values"*. This is also similar to Schaufeli, et al, (2002), when they define employee engagement *"as a positive, fulfilling, work-related state of mind that is characterised by vigour, dedication and absorption"*.

Three out of eight of the participants felt employee engagement was present when employees exerted that extra energy, in order to achieve the goals and objectives for the organisation. This is corresponding to a definition by Schaufeli, et al, (2002), through one of its characteristics 'vigour'. Vigour can be described as the amount of energy one will exert into their work in order to achieve their objectives.

Two out of eight of the participants believed that if employees were engaged they would go that extra mile. This is supported by Dibben, et al, (2011), who explains that employees that are engaged are passionate about their work; it generally means they will go beyond the requirements of the job.

Three out of eight of the participants said they felt an engaged employee was one who felt involved in the organisation. This is similar to Sundaray's, (2011),

definition when it is explained that if an employee engagement is believed to be the level of involvement an employee has within the organisation.

Although the literature identified similar characteristics to what was stated by the participants, two characteristics were not identified, four of the participants said that they believed employee engagement was when employees are motivated to get their work done and three out of the eight participants said a characteristic of it was when they felt valued within the organisation was another.

These findings correspond with the literature, thus through analysing the qualitative data and referring it back to the literature review the researcher has discovered with respect to the sample that employee engagement can be defined as when *"employees hold a positive attitude towards the organisation, their level of commitment and involvement they have within the organisation, how motivated they are to get the work done and work alongside the organisation to achieve its goals and objectives. They will, exert that extra energy and go that extra mile to get the work done as they feel they are valued within the organisation".*

This definition can be supported by various academic literatures by Rothmann, et al, 2010, Sundaray, 2011, Mendes & Stander, 2011, Stander & Rothmann, 2010 and AbuKhalief et al, 2013, where there are generally three components of employee engagement physical, cognitive and emotional. This means being physically involved in a task and exerting energy, being involved in the workplace, and showing dedication and commitment to ones work.

Research Objective 2: To outline what factors financial institutions associate with employee engagement:

Moving on to discuss the findings of the researcher's second objective which was to outline what factors financial institutions associate with employee engagement. Four out of the eight participants said that rewards would be considered as a factor of employee engagement; this is supported by Bratton and Gold (2007), when they say reward strategies can be described as management's key lever in creating higher levels of employee engagement. However Bratton and Gold (2007) is contradicted by the other four participants as they did not mention rewards as a factor of engagement, yet they mentioned recognition as a factor. Recognition was seen as an important factor by seven out of the eight participants, this illustrates with respect to the sample that recognition can be seen as a key lever in employee engagement rather than rewards. This is supported by AbuKhalifeh and Paud Mat Som (2013), when they explain that employees need to know that management are appreciative and support the work their employees do.

Mone, et al, (2011), explain that feedback can be a form of recognition. They believe it gives an employee a sense of support which helps them accomplish their goals. This was supported by four of participants as they seen feedback as an important factor in relation to engaging employees. The participants had similar views to Mone, et al, (2011), in relation to feedback as they felt that given feedback to employees resulted in engagement levels increasing as they felt that their work was being acknowledged and supported, it helped them get a better understanding of where they went wrong and how they can avoid it happening again. This helps them carry out their jobs more efficiently. This however was only supported by two out of eight of the participants which in regard to the sample size would not be considered a

key factor in relation to employee engagement. Nevertheless are these organisations failing to take advantage of a factor that could be key to engaging staff, that is beneficial and costs nothing other than their time.

Seven out of eight of the participants said having effective communication channels had an impact on the levels of engagement. This is another factor which with respect to the sample size that can be seen as a key factor is relation to employee engagement. This is supported by Attridge, (2009), when it is said that having effective communication channels that allows communication across the board results in a more trusting environment which in turn creates higher levels of engagement. Three out of these seven participants also explained that as they are managing a diverse workforce it is important to understand the different cultures, as it can affect how effective the communication process is. They believe it is important to understand what motivates their employees, and how to speak to them for example given them feedback or asking them to carry out a certain task. Reece and Brendt, (2008), back this up when they explain that although individuals communicate on a day to day basis it does not mean they are communicating effectively, the data communicated can be misinterpreted. Kawar, (2012), also supports these three participants as he outlines the importance of cultural intelligence through linguistic intelligence, special intelligence and interpersonal intelligence.

Four out of eight participants felt that employee involvement was an important factor in regards to maintaining and improving engagement levels. This was due to the fact that when employees felt involved within the organisation it would result in an increase in the levels of engagement. This can be through management communicating the progress of the company to employees and how their work is helping the organisation succeed. Rees and French, (2010), support this when they

explain that this factor can be affected and is largely based on effective communication throughout the organisation.

Rees and French (2009) also say that allowing employees have a voice is important when it come to engagement which was corresponding with the qualitative data when two out of eight of participants said that giving employees a voice made them feel that what they had to say was important which had an impact on the levels of engagement. When employees feel they can approach management they will be more inclined to communicate with them if an issue should arise.

Six out of the eight participants said that training and development had a significant impact on employee engagement as they were continuously developing their skills through the training, and also that if employees felt they were being invested they make a special effort in their work. Ahmadi, (2012), corresponds with this when he explains that when organisations invest in their employees it gives them a sense of belonging, which improves their satisfaction levels. Sundaray, (2011), outlined that it had been cited that lack or training and development programmes in organisations can result in there being a high turnover rate. This is what organisations are trying to avoid which shows the importance of organisations having adequate training and development programmes in place, in order to keep employees engaged.

Six out of the participants said role clarity was an important factor in relation to engagement as employees had a clear understanding of what was expected from them within their role which meant they could carry out their job more efficiently. Having future career opportunities within the organisation was seen as another factor by two of the participants to have an impact on the levels of engagement among the employees. This factor however was not evident when analysing the literature. The participants felt that if employees felt there were future career opportunities they

would be more likely to participate and work alongside the organisation, in order for them to further their careers.

Two of the participants said that trust can be an important factor when it comes to engagement. They said that if the employees trust their managers they would be more likely to work alongside them, thus increasing levels of engagement. This is another factor that was not evident when analysing the literature.

Scholars and Marks, (2004), as cited in Bratton and Gold, (2007), gathered evidence that showed having work-life balance policies can attract, retain and motivate employees. In contrast to this none of the participants mentioned work-life balance as a factor that affects levels of employee engagement.

This could be down to the small number of participants the data was collected from. With respect to the sample, the key factors of engagement within financial institutions that help maintain and improve employee engagement levels, include; communication, recognition, training and development, role clarity, the involvement of employees within the organisation and rewards. The other factors that some participants felt made an impact on employee engagement were future career opportunities, employee voice, trust, feedback and rewards. However due to the fact only two out of the eight participants felt that these factors made an impact on employee engagement, they do not seem to be a key factor. Nevertheless if management were made aware of how beneficial these factors can be on levels of engagement then they could in the future become a key factor.

Research Objective 3: To discover what are the benefits of having high levels of engagement within this industry?

Moving on to discuss the researcher's third objective which was, to discover what were the benefits management seen from having high levels of engagement within the financial services industry, it was clear in that there were a number of benefits that the participants associated with having employees engaged.

Seven out of the eight participants said that lower levels of absenteeism were a benefit from having engaged employees. AbuKhalief, (2012), supports this by stating employees who are not engaged affect the organisations levels of performance through higher levels of absenteeism.

Seven out of the eight participants also said that they could see an increase in productivity from having high levels of engagement. This is supported by research conducted by Murlis and Schubert, (2001), the hay group found that organisations with engaged employees were up to 43% more productive.

Six out of the eight participants explained that they felt the morale of the employees is positive when the employees are engaged. If employees have a positive attitude, it creates a positive atmosphere, which in turn results in employees working alongside the organisation. Ajzen, (1985), as cited in Allameh, et al, (2012), support this when they explain that *"an individual is more likely to undertake certain behaviour if he/she has a positive attitude toward undertaking the behaviour"*. This is also alike Sundaray, (2011), who explains that when there is a positive atmosphere it results in employees having a positive attitude towards their work which results in higher productivity levels.

AbuKhalief and Som, (2013), explain that when employees are not engaged the organisations performance levels will be affected by them having a high turnover rate. However when organisations have an engaged workforce they should see a lower attrition rate. This is supported by three out of the eight employees when they say that they could see a lower turnover rate when the employees were engaged.

Through research conducted by Gallup, (2006), it was shown that engaged employees were more productive, customer focused and less likely to leave the organisation. This is corresponding with the seven participants that said they could see an increase in productivity through have their employees engaged.

Four out of the eight participants said that they found their workforce more committed with high levels of engagement, which is supported by Bakker, et al, (2012), who illustrate that an engaged employee is one who is one who is more likely to stay committed to the organisation and help it achieve its goals and objectives. Gallup's (2006) survey is also comparable to the view of the participants as it was shown through the data collected that an engaged employee is less likely to leave the organisation if they are happy in the environment in which they work. Macey and Schneider, (2008), illustrate this point that employee engagement can improve commitment levels among employees.

Research Objective 4: What do financial institutions see as the challenges of employee engagement?

Through analysing the data collected for the fourth objective which is: What do financial institutions see as the challenges of employee engagement? The participants saw a number of implications for employee engagement which were; employee engagement was time consuming the economic climate had an effect on

the factors used to engage their employee for example their reward packages and their training and development schemes, the length of service of employees, reliability of employees on management for solutions, and age of employees.

Five out of eight of the participants felt that as employees length of service increased it had an effect on engagement levels, and three out of eight of the participants felt age can become an implication as the older an individual gets they will have different factors that engage them. This was supported by the Institute of Employment Studies (2004) which illustrates that engagement levels can drop as employees get older and they can also be affected as the length of service increases (Robinson, Perryman, & Hayday, 2004). It is important for management to implement strategies to help overcome these implications for example extra time off may be a factor to influence younger members of staff whereas a pension been made available to older employees may engage them more. Management need to engage their employees through that factors that best suit their age bracket.

Six out of eight of the participants felt that it was very time consuming as they had a number of other things to focus on and get done and two out of eight of participants seen the economic climate as a challenge in relation to engagement as it can and has previously had an effect on the factors associated with employee engagement. These implications however were not outlined in the literature, nevertheless they are important as rewards have been affected by the economic climate and so has training and development. Employee engagement is also very time consuming through making yourself available to employees and also measuring it therefore time management is essential.

Chapter Six Conclusion:

The researchers aim was to discover what the factors were that financial institutions associate with employee engagement, and what they saw as the benefits and implications of employee engagement.

Research Objectives:

The research objectives for this study were; To:

- Identify how financial institutions define employee engagement.

- Outline what factors financial institutions associate with employee engagement.

- Discover what Financial Institutions see as the challenges faced with employee engagement?

- Discover what the benefits are of having high levels of engagement within this industry?

Key Findings:

From conducting the research it was found that in respect to the sample management from financial institutions define employee engagement as *"when employees hold a positive attitude towards the organisation, their level of commitment and involvement they have within the organisation, and how motivated they are to get the work done and work alongside the organisation to achieve its goals and objectives. They will, exert that extra energy and go that extra mile to get the work done as they feel they are valued within the organisation"*. This showed that the concept of employee engagement was clearly understood by management within the financial institutions.

The study examined what were the factors financial institutions associated with employee engagement and with respect to the data collected they included communication, recognition, training and development, role clarity, future opportunities, involvement, honesty, employee voice, trust, feedback and rewards. They felt that these were factors that had the most impact on engagement levels and helped maintain them. The research also discovered that having engaged employees can reap many benefits for financial institutions. In consideration of the sample management within financial institutions believe that from having their employees engaged they can see lower levels of absenteeism, higher productivity levels, low attrition rate, a positive morale among employees and a positive environment and also a committed workforce that work alongside the organisation to achieve its goals and objectives. With an organisation obtaining these benefits, it increases their profitability, and also creates competitive advantage.

Although management of the financial institutions in relation to the sample, seen many benefits associated with having employees engaged, they also outlined a number of implications, which included; age, time consumption, the economic climate, and length of service.

They felt that employee engagement was very time consuming, as they felt they had to be continuously available to employees whilst carrying out their own jobs. Therefore time management was essential. Management also felt that as employees got older and their length of service increased, resulted in them becoming less engaged. This meant they had to implement a new strategy to overcome the issue and determine what factors would re-engage them.

Limitations:

Whilst conducting this research there were a number of limitations met. Firstly the time constraints in which the research was conducted under. This was due to the fact that the researcher conducted this study through an academic course. Therefore the researcher was limited to the amount of time that could be spent doing it.

The second limitation faced was the sample size which was used to collect the data. This was again due to time constraints and also the fact that the individuals of interest within the financial institutions were hard to get access to. Also due to conflicting time schedules four individuals who had agreed to take part in the study cancelled, resulting in the researcher conducting eight interviews.

Another limitation the researcher became aware of was the reliability of the data collected as it was from the manager's perspective, if data was also collected from employees it may have provided different results.

Future research:

In relation to this study, when conducting future research the researcher would like to look at a number of aspects. Firstly the researcher would adopt a mixed method approach when collecting the data. This would allow the researcher get a better understanding of the employee's perspective on employee engagement as well as managements. This would involve interviewing management through the methods adopted through this study and sending out surveys to employees.

Questionnaires will be aimed at employees, as it is a more impersonal approach to gathering data, and employees can answer questions in confidence on how they are engaged. This will determine whether the levels of engagement within this industry. The best option available to ensure most questionnaires are filled out, is through the

delivery and collection of the questionnaire. This was illustrated by Saunders, et al, (2003), who say there is a higher response rate of 30%-50%, than say an online or postal questionnaire.

The researcher would also like to further the research to the whole Irish banking sector rather than a certain number of financial institutions. This would allow the researcher determine the engagement levels within this sector and compare and contrast the findings among each financial institution.

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