Understanding Factors Influencing Employee Engagement: A Study of the Banking Sector in Erode District with Special Reference to ICICI Bank

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Abstract

Investment and banking organization plays an important role for the economic development of the country. India's banking system is featured by a huge network of bank branches, and it serves many sort of financial services of the people. Now a day ICICI Bank is a leading player in the sector of Indian banking and is deeply engaged in economical as well as human development in the country. The Bank is working with the foundation of Industrial Credit Investment and Corporation of India (ICICI) across diverse sectors and programs. ICICI Bank is the second largest bank in India in terms of Assets and Market capitalization. ICICI Bank has emerged as the pioneer venture on the horizon of offering an expended range of financial services and banking products for the retail and corporate customers through its diverse delivery channels and specialized subsidiaries in the areas of investment banking asset management, venture capital and insurance. It is crucial to analyze the financial services of ICICI Bank in terms of strategic importance and nation interest. The aim of this research paper is to analyze and evaluate the financial services and customer perception on the behalf of financial performance of ICICI Bank. And also find out the objective of the bank and to give efficient and effective suggestions for improvement in the bank.

Keywords: Advances, Solvency, Investment Banking, Capitalization and Leverage Ratio.

The Conceptual Definition of Employee Engagement

Using Kahn's (1990) seminal work as the point of departure, the concept of engagement was first introduced by him to explain how people are personally engaged and disengaged at work. He defined 'job engagement' as 'the harnessing of organisational members' selves to their work roles where people express themselves physically, cognitively, and emotionally during role performances' (Kahn 1990, p. 694). This definition clarified the concept of engagement as the manifestation of being 'present at work'. Being 'present at work' requires a particular mental state. In order to be engaged, an individual has to think, feel and act on their job. In other words, this mental state constitutes a driving force which requires physical, cognitive and emotional resources. These resources can be enhanced in certain psychological conditions: meaningfulness (feeling that one is receiving a return on the investment of the self in the work role performance), safety (a sense of being able to show and employ oneself without fear of negative consequences to one's self-image or status at work) and availability (a sense of possessing the physical, emotional and psychological resources needed for investing oneself in the work role). These psychological conditions serve as the mechanism by which individuals connect to

their role performance. In contrast, disengagement refers to withdrawal from the work role.

Objectives of the Study

- The aim of this research is to integrate elements from the individual, organizational and societal levels to gain a more comprehensive understanding of the factors that may affect employee engagement.
- To outline what factors Banking sector associate with employee engagement.

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),

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**).**

Recognition :

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.

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).

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.

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).

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).

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.

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.

Figure : Factors that influence Employee Engagement

Research Methodology

The researcher adopted a semi-structured approach when conducting the interviews. 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. Each interview was between 20-30 minutes, and was carried out in an area which was most convenient for the participant.

Findings:

The shows that 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.

Conclusion:

The main aim of this thesis was to examine the factors that influence employee Engagement in the banking sector at erode district. The study revealed that communication, recognition and training and development that significantly impact on employee engagement. This finding is an addition to the findings on employee engagement by previous studies, which predominantly did consider a supervisor's support as enhancing engagement but failed to identify the type of support that has this positive effect

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