

To study the Employee Engagement practices and its effect on employee performance with special reference to ICICI and HDFC Bank in Lucknow

Neeta Bhatla, Research Scholar,UPTU,Lucknow

ABSTRACT: The employee engagement practices in an organization get increased as companies tend to work with a global workforce .Organizations are on hunt for people who are generally enthusiastic to come to work everyday and are highly passionate about their work .The article focuses on the need for such employees and how their presence can improve the progress and work efficiency of the organization as a whole .Also focuses on the challenges faced by the HR managers to improve employee engagement for an organization's survival .It also throws light on other aspects of employee engagement like benefits ,key indicators and factors influencing employee engagement. It also focuses on the various practices used in private banks.

KEY WORDS: Employee engagement, Organizational commitment, Job content, Involvement, Objectivity, Motivation

1 INTRODUCTION

Employee engagement' is a relatively new term in HR literature and really started to come to prominence from 2000 onwards. Melcrum Publishing (2005) found that from a global survey of over 1,000 communication and HR practitioners 74% began to formally focus on the issue between 2000 and 2004. Employee Engagement is the extent to which workforce commitment, both emotional and intellectual, exists relative to accomplishing the work, mission, and vision of the organization. Engagement can be seen as a heightened level of ownership where each employee wants to do whatever they can for the benefit of their internal and external customers, and for the success of the organization as a whole.

The fast pace of technological advancement, rising complexities of managing businesses, pressures to become world class organizations and relative scarcity of people with Critical skills have resulted in problems of attracting, retaining and utilizing talent inmost organizations globally. In the changed business scenario, it is being increasingly realized that organizations can gain and maintain competitive edge through people as creators of assets. It is precisely to that end that employee engagement assumes significance as a way of managing people in organizations because engaged employees are believed to deliver high quality/committed service and they form work teams that produce high quality results. The present study is an attempt to assess the engagement levels of managers as also to find out the factors that influence employee engagement.

Employee Engagement is the level of commitment and involvement an employee has toward his organization. It is the positive attitude held by the employees towards the organiza-

tions and its values. Kahn (1990) has defined personal engagement as the harnessing of organizations members selves to their work roles; it means to psychologically present when occupying and performing an organizational role.

Engagement is all about having a psychological commitment towards the assigned task, which is clearly reflected in his/her dedication towards the work. Human capital can provide a competitive advantage to any organization. In today's highly competitive scenario, companies can achieve exemplary levels of performance only when employees exhibit unwavering commitment towards their tasks. Higher productivity, reliability, higher self motivation, confidence to express new ideas, organizational loyalty, employee turnover, lower absenteeism and higher levels of customer approval and service quality are some of the characteristics of a wholly engaged employee. Engagement is a state where an individual is, not only intellectually committed, but also has a great emotional attachment with his/her job that goes above and beyond the call of duty, so as to further the interest of the company .An engaged employee shows a lot of enthusiasm towards his work and is happy about his work and above all cares for the future of the organization. In today's highly competitive work environment, such engaged employees as act as valuable assets, which ultimately lead to increase in the business performance and lower staff turnover.

Meere (2005) describes three levels of engagement:

- **Engaged** - employees who work with passion and feel a profound connection to their organization. They drive innovation and move the organization forward
- **Not engaged** - employees who attend and participate at work but are timeserving and put no passion or energy into their work; and

Disengaged - employees who are unhappy at work and who act out their unhappiness at work. According to

Meere (2005), these employees undermine the work of their engaged colleagues on a daily basis.

2 LITERATURE REVIEW

In the literature on employee engagement, one frequently comes across the term 'drivers' of engagement, which has been popularized by consulting firms as well as HR practitioners. A driver is something that drives. For example, any part of a machine that communicates motion to another part is called a driver. For a variable (say, x), to be called a 'driver' (that is, cause) of another variable (say, y), the following conditions must be met: (a) x must precede (not follow) y in terms of time, (b) x and y must vary together in the direction suggested by the relevant theory and (c) when x is absent, its causal influence on y must also be absent. Persons who use the term 'drivers' to explain variation in employee engagement across business units have done so entirely on the basis of observed positive correlation. A significant correlation is only one of the necessary conditions to establish causality. Unless the other two conditions are also met simultaneously, it is not possible to establish a cause-and-effect relationship. Since practically all studies on the subject (including the one reported in this article) are confined to test association between engagement and set of independent variables, at a single point of time, use of the term 'drivers' is inappropriate in such cases. Hence, we have decided to use the term 'predictors' in this article.

3 PROBLEM DEFINITION: As organizations pay more attention to employee engagement and HRD professionals are increasingly asked to play a role in the development of engagement strategies, research about employee engagement eludes the HRD professional. The gap in knowledge between the needs of organizations and the ability for professionals to respond effectively is problematic for HRD scholars, researchers, and practitioners as well as for the organizations that employ them. Organizations need HRD professionals who have well-researched, effective, and meaningful approaches to creating, building, and maintaining employee engagement, and practitioners are looking to scholars and researchers for tools and techniques that are well grounded.

To successfully respond to both problems and obtain a consistent definition that provides a clear interpretation of the concept, a historical understanding of the constructs surrounding employee engagement is a prudent way to begin developing a common understanding and language. Looking back at how the concept has evolved would help identify past and present states as well as provide a depth of understanding, context, and insight. This historical perspective will help develop informed strategies of practice as well as provide a solid foundation for future researchers to build on. There is a short window of opportunity for the HRD field to take a leading role in fostering employee engagement and to do so; the concept needs to be clearly.

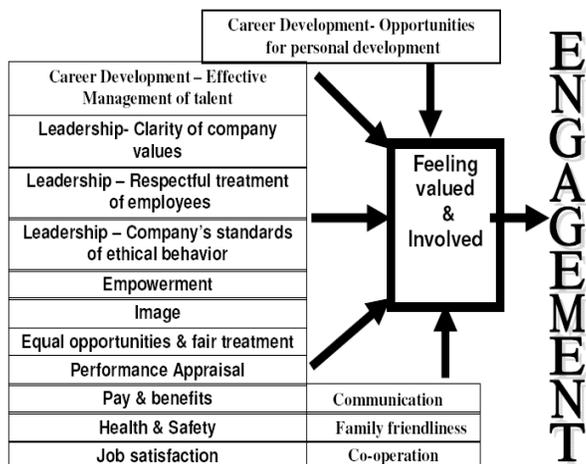
4 NEED OF EMPLOYEE ENGAGEMENT:

The current global financial meltdown has done more than just adversely affect corporate statistics and share prices. The deep rooted implications of the economic slowdown have crept into the daily lives of thousands of employees, working (or laid-off) across the major sectors in India. Organizations should increasingly convert from traditionalism to the contemporary learning and individualized corporations. With growing opportunity and greater flow of information, employees today want to be in the best workplaces handling the best suited responsibilities and enjoy greater autonomy. Understanding employee needs must, thus, occupy the centre stage not only for the HR team but also the immediate bosses. Often, problems emanate from the growing distance between superiors and subordinates, longer chain of communication and lack of sufficient opportunity to be involved in critical work processes and decision making. Organizations should increasingly convert from traditionalism to the contemporary learning and individualized corporations. With growing opportunity and greater flow of information, employees today want to be in the best workplaces handling the best suited responsibilities and enjoy greater autonomy. Understanding employee needs must, thus, occupy the centre stage not only for the HR team but also the immediate bosses. Often, problems emanate from the growing distance between superiors and subordinates, longer chain of communication and lack of sufficient opportunity to be involved in critical work processes and decision making. Companies who are better able to engage their people also deliver better business performance and return to shareholders. Thus, employee engagement at all levels must not only be encouraged but also rewarded.

5 RESEARCH OBJECTIVES:

1. To study the employee engagement practices in private banks.
2. To analyze the need of employee engagement.
3. To study the various levels at which employee engagement practices in private banks.
4. To study the various aspects of employee engagement.
5. To study the factors affecting employee engagement.
6. To propose a model for employee engagement.
7. To suggest means/methods for improving employee engagement practices in private sectors.

6 FACTORS LEADING TO EMPLOYEE ENGAGEMENT-



Career Development- Opportunities for Personal Development

Organizations with high levels of engagement provide employees with opportunities to develop their abilities, learn new skills, acquire new knowledge and realize their potential. When companies plan for the career paths of their employees and invest in them in this way their people invest in them.

Career Development – Effective Management of Talent

Career development influences engagement for employees and retaining the most talented employees and providing opportunities for personal development.

Leadership- Clarity of Company Values

Employees need to feel that the core values for which their companies stand are unambiguous and clear.

Leadership – Respectful Treatment of Employees

Successful organizations show respect for each employee’s qualities and contribution –regardless of their job level.

Leadership – Company’s Standards of Ethical Behavior

A company’s ethical standards also lead to engagement of an individual

Empowerment

Employees want to be involved in decisions that affect their work. The leaders of high engagement workplaces create a trustful and challenging environment, in which employees are encouraged to dissent from the prevailing orthodoxy and to input and innovate to move the organization forward.

Image

How much employees are prepared to endorse the products and services which their company provides its customers depends largely on their perceptions of the quality of those goods and services. High levels of employee engagement are inextricably linked with high levels of customer engagement.

Other factors

Equal Opportunities and Fair Treatment

The employee engagement levels would be high if their bosses (superiors) provide equal opportunities for growth and advancement to all the employees

Performance appraisal

Fair evaluation of an employee’s performance is an important criterion for determining the level of employee engagement. The company which follows an appropriate performance appraisal technique (which is transparent and not biased) will have high levels of employee engagement.

Pay and Benefits

The company should have a proper pay system so that the employees are motivated to work in the organization. In order to boost his engagement levels the employees should also be provided with certain benefits and compensations.

Health and Safety

Research indicates that the engagement levels are low if the employee does not feel secure while working. Therefore every organization should adopt appropriate methods and systems for the health and safety of their employees.

Job Satisfaction

Only a satisfied employee can become an engaged employee. Therefore it is very essential for an organization to see to it that the job given to the employee matches his career goals which will make him enjoy his work and he would ultimately be satisfied with his job.

Communication

The company should follow the open door policy. There should be both upward and downward communication with the use of appropriate communication channels in the organization. If the employee is given a say in the decision making and has the right to be heard by his boss than the engagement levels are likely to be high.

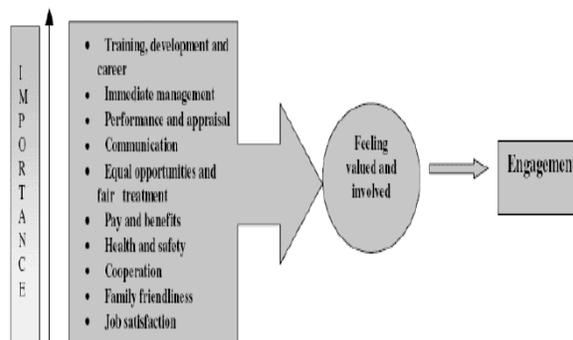
Family Friendliness

A person’s family life influences his work life. When an employee realizes that the organization is considering his family’s benefits also, he will have an emotional attachment with the organization which leads to engagement

Co-operationIf the entire organization works together by helping each other i.e. all the employees as well as the supervisors co-ordinate well than the employees will be engaged.

7 MODELLING EMPLOYEE ENGAGEMENT

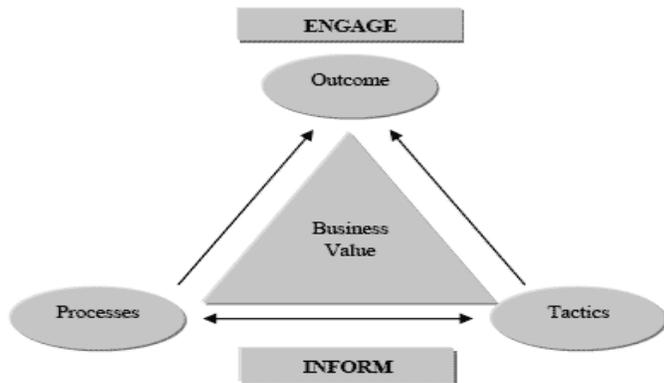
Fig 1 Robinson et al (2004) model of the drivers of employee engagement



The approach to employee engagement, discussed by Robin-

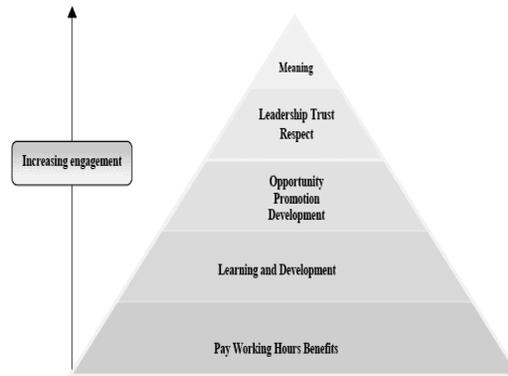
son et al (2004), stresses the importance of 'feeling valued and involved' as a key driver of engagement. Within this umbrella of feeling valued and involved there are a number of elements that have a varying influence on the extent to which the employee will feel valued and involved and hence engaged. Robinson et al (2004) state that this can be a useful pointer to organizations towards those aspects of working life that require serious attention if engagement levels are to be maintained or improved.

Fig 2 RBC's new model of employee communication



Moorcroft (2006) notes that the 'old' model was focused on developing tactics and methods by which to inform employees, or create awareness, of company news and objectives. However, the new model (see figure 4.4 above) is based on engaging employees in the communication process in order to achieve the desired outcomes and thus build the business value. This is achieved by helping employees have a better idea of how what they do impacts upon the organisation and by promoting behaviours that help achieve organisational objectives. Moorcroft (2006) reports that the changes to employee communications are beginning to show solid results, with employee alignment and engagement scores improving. Interestingly, the communication budget has actually been reduced at the same time, illustrating that a more focused and thought through strategy can result in better value for money.

Fig 3 Penna (2007) model of hierarchy of engagement



Penna (2007) presents a hierarchical model of engagement factors (see figure 3) which illustrates the impact each level will have on the attraction, engagement and retention of talent. They propose a model with "meaning at work" at the apex, which they maintain is borne out by the research carried out into meaning at work. In this context, Penna (2007) defines meaning at work as the situation where a job brings fulfillment for the employee, through the employee being valued, appreciated, having a sense of belonging and congruence with the organization and feel like they are making a contribution. In this model, as the hierarchy ascends and the organization successfully meets each of these engagement factors, the organization becomes more attractive to new potential employees and becomes more engaging to its existing staff.

8 MEASURING EMPLOYMENT ENGAGEMENT

To measure employee engagement, organizations need to get the opinions of the employees in different ways. Employees' opinion surveys can then be utilized to derive the Standardized engagement metrics. This is in addition to the official and unofficial meetings, workers' focus groups, manager's interviews and finally the performance measures, instrumental in assessing the employees' engagement (CUNA, 2008). As a part of measuring employee engagement, Gallup organization came up with questions directed to the employees. Such questions included what the employees expected in their work and whether their opinions at the work place seem to count (Crain Communications, 2009). By measuring employee engagement, the employer shows his or her employees that he or she needs their feedback and thus they feel more valued and respected. Measuring employee engagement gives the employers the insights into which factors influence employee's performance, satisfaction, loyalty and motivation (Inforsurvey, 2009; Neilly,

9 PROMOTING EMPLOYEE ENGAGEMENT

Engaging employees is crucial to satisfying and understanding the organization's customers (Castries, 2009). This has a measurable and direct impact on productivity, talent retention, financial results and customer satisfaction. When employees are listened to communication is enhanced and acting

on their feedback improves effectiveness (DecisionWise, 112009). A research conducted by Gallup showed that when employees are engaged in an organization they become, productive, safer, increased customer relationships, and stay longer in the company (Gallup, 2009). Promoting engagement among the employees is done by leveraging the three sources of influence for change; that is leaders, employees as well as organizational strategies and systems. Organizations must be willing to tap into the workers' commitment, passion and their identification with the company (Wellins, 2009). This can also be done through building trust between the employees and open communication (3M, 2009). Some of the factors that are employed to engage and retain employees include; a culture of respect, mentoring and feedback, professional and advancement development, appropriate reward, effective leadership, job expectations, tools to finish work responsibilities and finally, motivation (Greenberg, 2009; Elton 2007)

10 SIGNIFICANCE OF EMPLOYEE ENGAGEMENT:

Engagement is important for managers to cultivate given that disengagement or alienation is central to the problem of workers' lack of commitment and motivation (Aktouf). Meaningless work is often associated with apathy and detachment from ones works (Thomas and Velthouse). In such conditions, individuals are thought to be estranged from their selves (Seeman, 1972). Other Research using a different resource of engagement (involvement and enthusiasm) has linked it to such variables as employee turnover, customer satisfaction - loyalty, safety and to a lesser degree, productivity and profitability criteria (Harter, Schmidt & Hayes, 2002).

An organization's capacity to manage employee engagement is closely related to its ability to achieve high performance levels and superior business results. Some of the advantages of Engaged employees are:

- Engaged employees will stay with the company, be an advocate of the company and its products and services, and contribute to bottom line business success. They will normally perform better and are more motivated. There is a significant link between employee engagement and profitability.
- They form an emotional connection with the company. This impacts their attitude towards the company's clients, and thereby improves customer satisfaction and Service levels.
- It builds passion, commitment and alignment with the organization's strategies and goals
- Increases employees' trust in the organization
- Creates a sense of loyalty in a competitive environment
- Provides a high-energy working environment Boosts business growth
- Makes the employees effective brand ambassadors for

the company

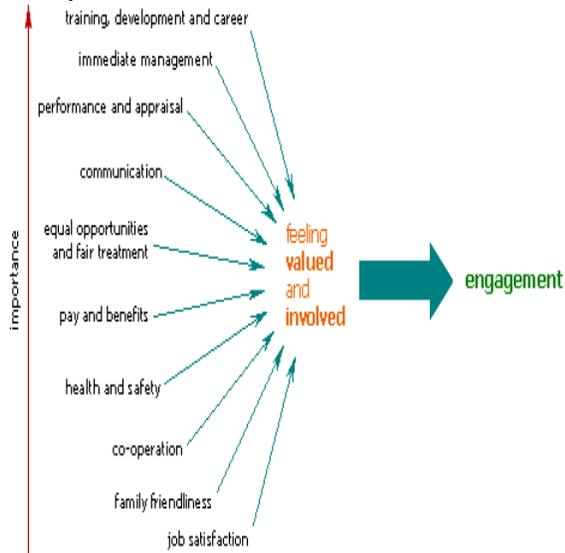
A highly engaged employee will consistently deliver beyond expectations. In the workplace research on employee engagement (Harter, Schmidt & Hayes, 2002) have repeatedly asked employees whether they have the opportunity to do what they do best everyday'. While one in five employees strongly agree with this statement. Those work units scoring higher on this perception have substantially higher performance.

Thus employee engagement is critical to any organization that seeks to retain valued employees. The Watson Wyatt consulting companies has been proved that there is an intrinsic link between employee engagement, customer loyalty, and profitability. As Organizations globalize and become more dependent on technology in a virtual working Environment, there is a greater need to connect and engage with employees to provide them with an organizational 'identity.'

11 EMPLOYEE ENGAGEMENT TRAINING IN ICICI & HDFC BANK

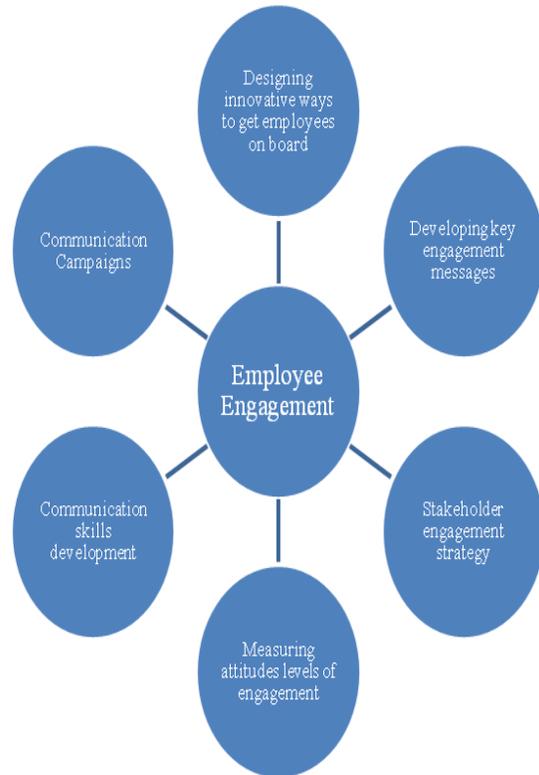
- ✓ Training is provided in 2 forms
 - ✓ Classroom Training
 - ✓ ICICI Learning Centre - Lonavla
 - ✓ E-Learning Modules
 - ✓ Compulsory Training Mandays to be completed
- ✓ Classroom Training
 - ✓ Conducted by in-house trainers
 - ✓ Programs such as Managerial Effectiveness, Presentation Skills, Business Continuity Plan (BCP) etc.
 - ✓ Tie-up with IFMR (Institute for Financial Management and Research), Chennai
- E-Learning based Training
 - ✓ Functional Modules i.e. Product specific
 - ✓ Credit Cards
 - ✓ Investment and Services
 - ✓ Behavioral Modules
 - ✓ Business Etiquettes
 - ✓ Manager as a Facilitator
 - ✓ Corporate Modules
 - ✓ Five S, Six-Sigma etc.
 - ✓ Induction Modules
 - ✓ Know Your Customers (KYC Norms), Anti-Money Laundering etc
 - ✓ Sprints i.e. short and fast product related training
- ✓ Foreign Trips to Managers on meeting their targets within time
- ✓ Yearly off-site for all Groups in India and Abroad e.g. Star Cruise - Singapore, Goa etc.
- ✓ Photography Competition
- ✓ Occasional cricket matches organised
- ✓ Holiday Homes

- ✓ Regular discounts schemes at various restaurants, in malls, on goods and accessories e.g. camera, television etc.
 - Movie Screenings
 - Project Parties
 - Hobby Centers
 - Family Involvement



Beyond initial recruitment and induction, employee engagement activities can be broken into a number of groups. These include:

- ✓ Communications activities
- ✓ Reward schemes
- ✓ Activities to build the culture of the organizational
- ✓ Team building activities
- ✓ Leadership development activities



Engagement helps in developing them EFFECT OF 12 EMPLOYEE ENGAGEMENTS ON THE PERFORMANCE OF EMPLOYEES

- Employee engagement builds passion, commitment
- Attracts more people like existing employees
- Creates a sense of loyalty
- Lowers attrition rate
- Increases productivity and improves morale
- Provides a high-energy working environment
- Improves overall organizational effectiveness
- Makes the employees effective brand ambassadors for the company.

13 EMPLOYEE ENGAGEMENT APPROACHES FOR NEW EMPLOYEES

Best practice recommends starting right at the selection or recruitment stage with:

- ✓ The right person and giving them a realistic job preview
- ✓ A strong induction and orientation programme
- ✓ Rigorous training and development, from technical to soft skills to leadership
- ✓ Development programmes.
- ✓ Regular technical/soft-skill updates.
- ✓ Certification programmes to drive people towards excellent performance

14 EMPLOYEE ENGAGEMENT APPROACHES FOR ALL EMPLOYEES

Engaged Employees –Scope of Work

15 EMPLOYEE ENGAGEMENT PROGRAMS IN PRIVATE BANKS

Organizations are focusing more and more on employee engagement programs and are taking initiatives to make their employees engaged.

- Employees and Their Families - Family Day
- Treating employees as a member of the company by giving a day off on their Birthday and anniversaries
- Provide play and Meditation courts for the employees to combat the work stress.
- Star of the Week or Month awards
- Employees Kids participating in Painting Competition
- Festival Celebration – Diwali Dhamaka
- Yoga Session
- Self-Management Workshop – Art of Living
- Create a culture of fun & spark at work
- Promote & recognize team performance, system adherence,

- Excellence in execution along with consequence management
- Evolve an employee friendly & business focused policies,
- Processes & systems with high degree of automation

16 CONCLUSION

Organizations have to give their employees the freedom to make their work exciting and an environment having an engaged work life. With increase in responsibilities at home and a desire to excel in their careers, employees often get distracted from their work which needs to be taken care of. Employees are the assets of the organization and if they are not given a space whereby they can make a perfect blend of both work, fun, optimum performance from them may be difficult. Employee engagement emphasizes the importance of employee communication on the success of a business. An organization should realize the importance of employees, more than any other variable, as the most powerful contributor to an organization's competitive position. Organizations and employees share a symbiotic relation, where both are dependent on each other to satisfy their needs and goal. Therefore; employee engagement should not be a one time exercise, but a continuous process of learning, improvement and action. Eventually, measuring employee engagement does not enhance engagement or customer response. It is an initiative coined to identify employee engagement with work and trust in the company leading to action plans for forming a truly engaged workforce that creates internal value, promises organizations of employment stability and in effect, positions organizations for nonstop development and success. Thus, organizations today are actively looking forward to intently with and proceed on behalf of their employees' expectations and performances.

17 REFERENCES:

1. Shashi Tewari, 2010 "Employee engagement" HRM Review, IUP publications, Nov 2010 pg42-45
2. Garima Bardia 2010 "Talent Management" HRM Review, IUP publications, Feb 2010 pg 37-41
3. http://en.wikipedia.org/wiki/Employee_engagement
4. <http://retention.naukrihub.com/increase-employee-engagement.html>
5. www.siemens.edu/employee_engagement
6. Mamta Mohapatra & Baldev R Sharma 2010 "Study of employee engagement and its predictors in an Indian public sector undertaking" Global Business Review.
7. 2009 "Effect of age and experience on job satisfaction and organizational commitment" The ICFAI University Journal of Organizational Behavior 8(1):28-36.
8. Mohapatra, Mamta and Baldev R Sharma 2008 "Drivers of organizational Commitment among managers of Industrial Organizations :A case study", Global Business Review 9(1) : "53-63
9. N R Aravamudha "Talent Management" A critical imperative for organization, HRM Review, Feb 2010 pg 36-41
10. Prabhi G and Roja Rani Tegala "Employee engagement: A mantra for HR managers" HRM Review, Aug 2009 pg 49-53
11. Priyanka Rawal "Engaged Employees": Carrying high degree of organization pride HRM Review, July 2009 pg 41-45
12. <http://retention.naukrihub.com/increase-employee-engagement.htm>