

A STUDY OF FACTORS INFLUENCING EMPLOYEE ENGAGEMENT AT PUBLIC SECTOR UNDERTAKINGS

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ABSTRACT

Employee engagement has a positive impact on productivity, absenteeism, attrition, and it increases the overall organisational effectiveness. Understanding the importance of employee engagement, employers are now trying to find the level of employee engagement in their organisations and take efforts to increase it. Here the researcher tries to explore the level of engagement in selected Public Sector Undertakings in Maharashtra and tries to identify the factors which predominantly affect employee engagement. The findings of this study will help the Public Sector Units to concentrate on the important factors and improve the level of fully engaged employees in their organisation so as to impact on organisational effectiveness.

Key words: Employee engagement, Public sector undertakings, Principle Component Analysis

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Introduction: Employee engagement is a heightened emotional and intellectual connection that an employee has for his/her Job, Organization, manager, or co-workers that, in turn, influences him/her to apply additional discretionary effort to his/her works. Employee engagement involves commitment, loyalty, pride in the organization, a willingness to advocate for the organization, and a sense of personal responsibility. Like satisfaction, employee engagement is changeable. It is capable of being greatly influenced and thus can vary considerably among organizational units, among companies, and over time.

The Researcher here tries to explore this concept of employee engagement, calculate the level of engagement in Public Sector Units and try to study the Principal component factors affecting employee engagement.

Research Methodology:

Objectives of the study:

1. To measure the level of employee engagement
2. To identify the principle factors from amongst the many, those having a significant impact on the engagement.
3. To assess employees understanding of various policies and support towards business goals and strategies.
4. To identify whether different groups of employees have different needs or issues.

Hypothesis:

1. H_0 : The level of employee engagement is average.
 H_1 : The level of engagement is below average
2. H_0 : All the factors have equal impact on employee engagement
 H_1 : There are few factors which significantly influence employee engagement as compared to other factors.

Primary data: was collected by administering a structured questionnaire, having definite Concrete and pre-determined questions for employees covering all segments like top management, middle management and shop floor workmen was used.

Secondary Data: Various sources like organisations website, Intranet, available literature from various reference books, journals and Magazines, periodicals and websites were referred for theoretical base, Dissertations and Thesis. Open online sources were also used.

Sample size: 260 employees were surveyed from five different Public Sector Units in Maharashtra.

Sampling method: Convenience Random sampling.

Questionnaire: The Questionnaire was divided into two parts section A was prepared by the researcher taking into consideration various factors affecting employee engagement. These were:

1. Commitment/Pride
2. My job
3. Work life balance
4. Pay and benefits
5. Performance management
6. Career and personal growth/training and development
7. Rewards and recognition
8. Health, safety and physical work environment
9. Mission and purpose/my company
10. Policies and procedure
11. Communication and feedback
12. Resources
13. Quality and customer focus.

Questionnaire Reliability: The internal consistency of the questionnaire was tested using Cronbach Alpha α reliability using SPSS 20 software, Cronbach Alpha α reliability coefficient for the questionnaire was found to be 0.968 (See table1.1) which is an excellent score (George &Mallery, 2003)

Table No 1.1 Title: Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	No of Items
.968	.968	60

Source: Compiled by Researcher

Statistical Test Used: SPSS version 20 software was used for analysis of data the test used were Principle Component Analysis and KMO and Bartlet.

Literature review:

(Kahn & A, 1990) Kahn in his article “**Psychological Conditions of personal engagement and Disengagement at work**” for the first time the author defined the words personal engagement and personal disengagement. He defined personal engagement as the harnessing of organizational members selves to their roles, in engagement, people employ and express themselves physically, cognitively and emotionally during role performances. He defined personal disengagement as the uncoping of selves from work roles, in disengagement, people withdraw and defend themselves physically, cognitively and emotionally during role performances. (Harter, Schmidt, & Keyes, 2003) In their white paper “**Well-Being in workplace and its relationship to business outcomes**” published by American Psychological Association in November, the authors have done a Meta analysis considering various factors contributing to well-being of workers. The Gallup organization has developed a Gallup Workplace Audit (GWA) which is a questionnaire having twelve statement popularly called as Q12. Therefore using this questionnaire they could draw a Meta analysis of a relationship between employee engagement and business outcomes. The Authors conclude from the study that well-being perspective is applicable to all organizations. Workplace well-being and performance are not independent, rather they are complementary and dependent components of a financially and psychologically healthy workplace. (Fleming & Harter, Manage Your Human Sigma, 2005) John H. Fleming, Curt Coffman, and James K. Harter in their article “**Manage your**

Human Sigma” published in the journal Harvard Business Review mentioned that when Gallup Organisation applied six sigma principles to sales and service groups at several companies, it learned how much performance variation exists between seemingly similar work groups. Managing that variability can raise overall performance by orders of magnitude and can create organic growth. It gives importance to customer engagement. The authors say that it’s possible to arrive at a single measure of effectiveness for the employee customer encounter; this measure has a high correlation with financial performance. Emotional satisfaction of customers matters the most. Fully engaged customers deliver a 23% premium over the average customers in terms of share of wallet, profitability, revenue, and relationship growth. (Schaufeli & Bakker, 2006) A National Study by Wilmar B. Schaufeli Arnold B. Bakker Utrecht University was published in Educational and Psychological Measurement. This article reports on the development of a short questionnaire to measure work Engagement—a positive work-related state of fulfillment that is characterized by vigor, dedication, and absorption. Data were collected in 10 different countries and results indicated that the original 17-item Utrecht Work Engagement Scale (UWES) can be shortened to 9 items (UWES-9). Furthermore, a two-factor model with a reduced Burnout factor (including exhaustion and cynicism) and an expanded Engagement factor (including vigor, dedication, absorption, and professional efficacy) fit best to the data. (Saks, 2006) In his research paper "**Antecedents and consequences of employee engagement**", says that this is the first study to make a distinction between job and organization engagement and to measure a variety of antecedents and consequences of job and organization engagement. (Johnson, 2006) The his article "**Motivating Employees to Go Above and Beyond**" the author states that you can know that you have a engaged workforce, if you see them doing three things: Giving more than the job description requires, Delivering extra efforts precisely when its needed Focusing their “extra mile” on the top priority actions (Greig, Marks, Purcell, Woodruffe, & Worman, 2006)in the report "**Reflections on Employee Engagement**" the author say that emotions play a very important role in engagement. They also have developed a engagement triangle where pay and salary is on factor at the tip followed by job satisfaction and employability. (Gostick & Scott, 2008),in their book 'The Levity Effect: Why it Pays to Lighten Up', Say that if people have fun at work they will work harder and stay longer and take better care of the organization. Research shows that engaged employees are more productive, but unfortunately only twenty percent of employees around the world are fully engaged. We need to focus on four core needs to keep

them engaged these are: physical, emotional, mental and spiritual, so that they are freed, fuelled and inspired to bring the best of themselves to work every day. (Henryhand, 2009) in their report **“The effect of employee recognition and Employee Engagement on Job Satisfaction and Intent to leave in the Public Sector”** mentions about his study which examined issues facing public sector organizations in regards to retention. Specifically, an investigation was conducted to assess the effectiveness of employee recognition programs and employee engagement and their impact on overall job satisfaction and an employee’s intent to remain with an organization. The study found that the perceptions of employee recognition and employee engagement have a significant impact on overall job satisfaction and intent to leave the organization. Although job satisfaction was not found to have a direct negative relationship to intent to leave, the findings supported the theory that the level of satisfaction with recognition and engagement practices is a significant predictor of turnover intentions. (Right, 2010) in his report **“Organizational Effectiveness Discovering How to Make It Happen”** author tries to understand more about the elements of an effective organization and the connection to productivity, Right Management conducted a global study of nearly 29,000 employees from ten major industry sectors in 15 countries in the Americas, Europe and Asia Pacific Engagement influences the customers’ experience and, ultimately, the overall performance of an organization in terms of productivity and profitability. Additional research has also consistently shown that employee engagement is powerfully linked to a range of success factors such as: engaged employees report significantly higher levels of customer satisfaction than employees who are disengaged. Customer service and satisfaction are critical success factors for any organization. (Bhatla, August-2011) in her article **“To study the Employee Engagement practices and its effect on employee performance with special reference to ICICI and HDFC Bank in Lucknow”** The researcher has enlisted different employee engagement practices for new as well as existing employees. She concludes by saying that employee engagement should not be a onetime exercise, but a continuous process of learning, improvement and action. (Sarangi, Impact of Organisational Culture and Communication on Employee Engagement, December 2011) in her Ph.D. Thesis titled **“Impact of organizational culture and Communication on Employee engagement”** has studied relationship inter-relationship of culture, communication and engagement in three types of banks(co-operative, nationalized and private) the study has helped in developing a holistic engagement model through organizational drivers of culture and communication. (Anita

Singh, April 2013) in their article entitled “**Employee Engagement in a Public Sector Undertaking: An investigation**” They revealed that their study was exploratory and analytical in nature. The primary data was collected from 200 respondents at the corporate office of a single PSU located in New Delhi. The Gallup’s questionnaire has been used for this study. A total of 12 statements scaled on a 5-point Likert scale has been employed to collect primary data from the managers in the corporate office. The emphasis of this paper was to identify the factors impacting employee engagement in a PSU and also to understand the measures to be taken to engage employees for better performance. They listed the following factors impacting employee engagement by Principle Component Analysis method.

Factor1: Encouragement and Meaningful Task

Factor 2: Recognition and Support

Factor 3: Motivation and Cooperation

Factor 4: Feedback and Opportunity

Factor 5: Career Development and Growth

Data analysis and interpretation:

Table No:1.2 Title: Level of Employee Engagement

Sr No	Factors	Mean	Percentage
1	Commitment	4.4	88
2	My Job	4	80
3	Work Life balance	3.9	78
4	Pay and Benefits	3.7	74
5	Performance management	3.5	70
6	Training and Development	3.6	72
7	Rewards and Recognition	3.4	68
8	Health/Safety	4.2	84
9	My Company	4.2	84

10	policies and procedures	3.6	72
11	Communication	3.6	72
12	Resources	3.8	76
13	Quality and Customer Focus	4	80
	Mean of Mean	3.84	76.8

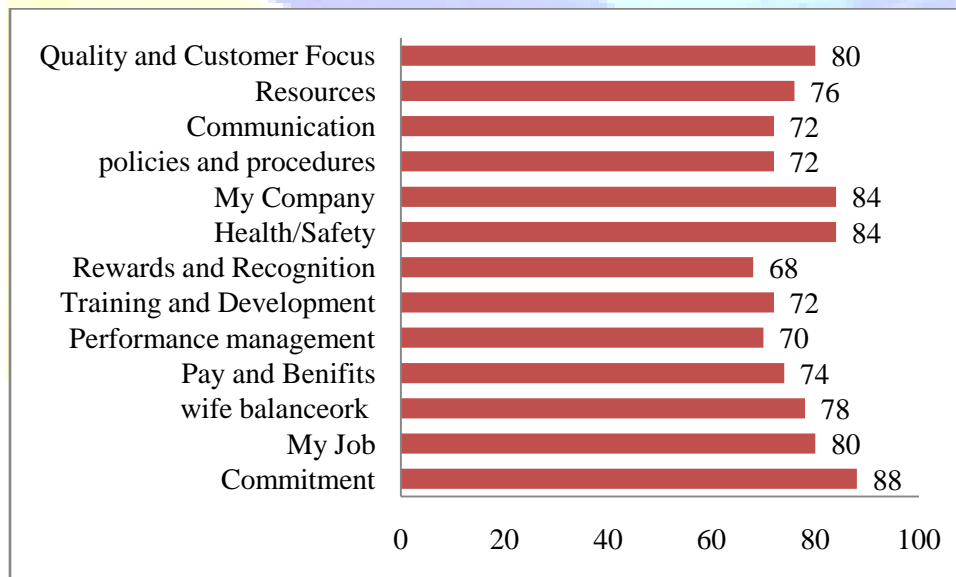
Source: Field Survey

H₁: The level of employee engagement is average

There are 13 factors considered under study, to test the first hypothesis the researcher has calculated the means of all thirteen factors and then a final mean of these means is calculated the resultant mean of mean is 3.84 which when represented in percentage comes up to 76.8%

Conclusion: Therefore we can accept the hypothesis and state that the level of engagement in the organisation is average ie 77%

Graph no 1.1: Level of Employee Engagement



Interpretation: The highest level of satisfaction is seen amongst the factor Commitment towards organisation (88%) and lowest is seen among Rewards and Recognition.

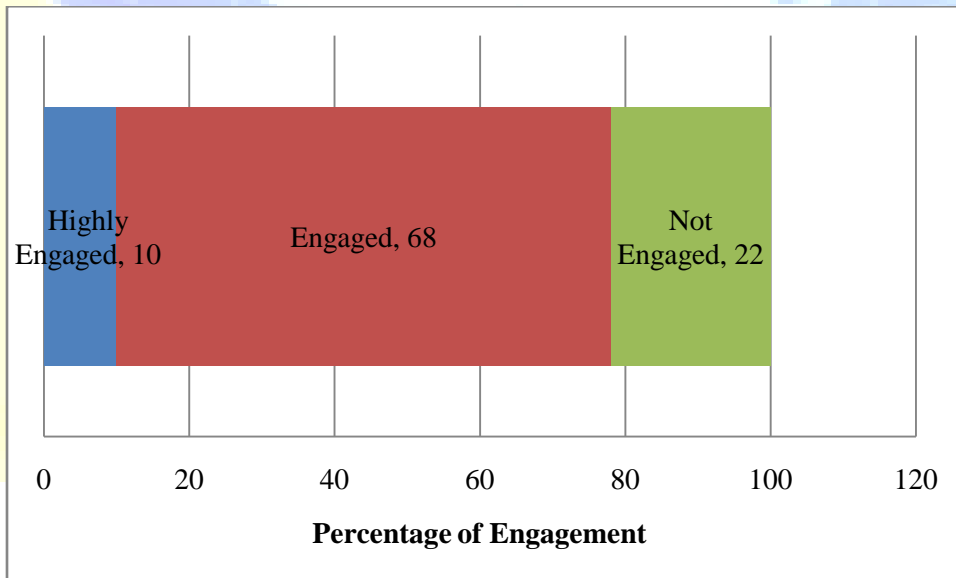
Conclusion: The companies must work on policies which has lower satisfaction levels like rewards and recognition (68%), Performance Management(70%), Training and development, policies and procedures, communication(72%)

Table No: 1.3 Overall Employee Engagement

No of Respondents	Overall Employee Engagement			Total
	Highly Engaged	Engaged	Not Engaged	
260	26	177	57	260
Percentage	10	68	22	100

Source: Source: Field Survey

Graph No: 1.2 Overall Employee Engagement



Source: Source: Field Survey

Interpretation: 10 % of employees are highly engaged, 68% are engaged, and 22% are disengaged.

Conclusion: The organisation should try to increase the no of highly engaged employees and reduce the disengaged employee percentage.

Table no: 1.4 Descriptive Statistics

	Mean	Std. Deviation	Analysis N
Commitment	4.400000	.5488180	260
My Job	4.037179	.7103649	260
Work life Balance	3.8538	.74712	260
Pay & Benefits	3.684615	.9288840	260
Performance Management	3.485897	.8636157	260
Training and Development	3.625275	.8189246	260
Reward and Recognition	3.370513	.8654098	260
Health/Safety	4.0125	.75343	260
My Company	4.1683	.57858	260
Policies and Procedures	3.581410	.7012404	260
Communication	3.5971	.76856	260
Resources	3.785385	.6675734	260
Quality and customer focus	4.027692	.6900300	260

Interpretation: From the above table it is seen that employees are not satisfied with factors like rewards and recognition, performance management, training and development and pay and benefits.

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.695
Bartlett's Test of Sphericity	Approx. Chi-Square	7125.383
	df	1770
	Sig.	.000

The KMO measures the sampling adequacy should be greater than 0.5 for a satisfactory factor analysis to proceed.(www.sagepub.com, 2011). Here KMO statistic was also used to measure the appropriateness of the factor analysis. **Bartlett's test** is another indication of the strength of the relationship among variables. From the same table, we can see that the Bartlett's test of sphericity

is significant. That is, its associated probability is less than 0.05. In fact, it is actually 0.000, i.e. the significance level is small enough to reject the null hypothesis.

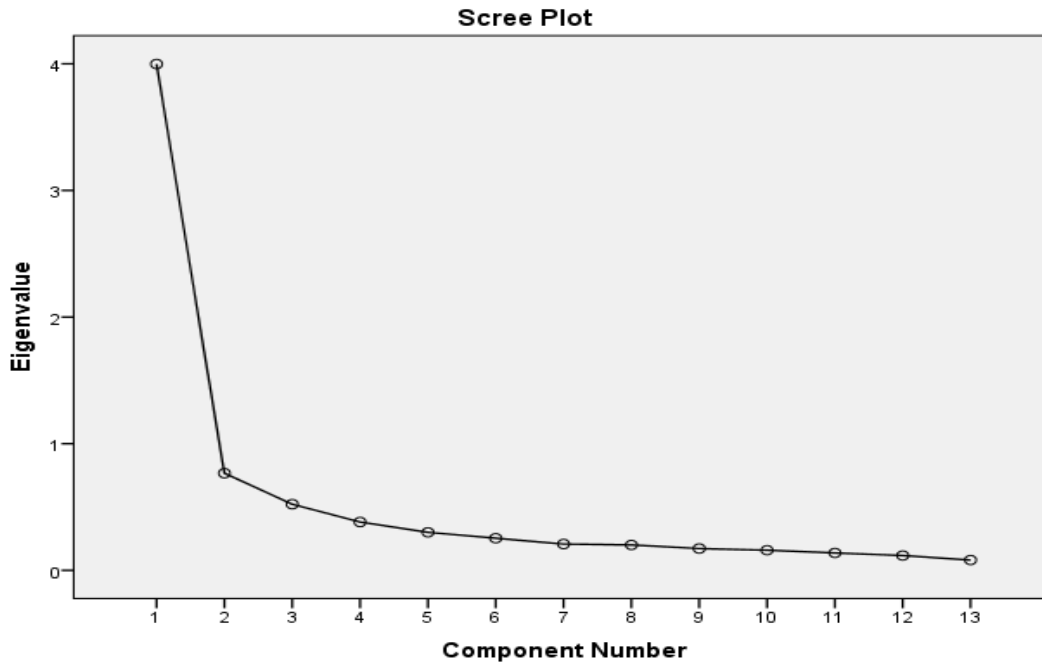
Total Variance Explained

	Component	Initial Eigenvalues ^a			Extraction Sums of Squared Loadings		
		Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
Raw	1	3.998	54.778	54.778	3.998	54.778	54.778
	2	.767	10.508	65.286	.767	10.508	65.286
	3	.522	7.153	72.439			
	4	.381	5.224	77.663			
	5	.300	4.116	81.779			
	6	.254	3.475	85.254			
	7	.208	2.849	88.104			
	8	.200	2.747	90.851			
	9	.172	2.361	93.212			
	10	.159	2.178	95.390			
	11	.138	1.886	97.276			
	12	.117	1.605	98.881			
	13	.082	1.119	100.000			
Rescaled	1	3.998	54.778	54.778	6.960	53.538	53.538
	2	.767	10.508	65.286	1.315	10.116	63.654
	3	.522	7.153	72.439			
	4	.381	5.224	77.663			
	5	.300	4.116	81.779			
	6	.254	3.475	85.254			
	7	.208	2.849	88.104			
	8	.200	2.747	90.851			
	9	.172	2.361	93.212			
	10	.159	2.178	95.390			
	11	.138	1.886	97.276			
	12	.117	1.605	98.881			
	13	.082	1.119	100.000			

Extraction Method: Principal Component Analysis.

When analyzing a covariance matrix, the initial eigenvalues are the same across the raw and rescaled solution.

Graph No : 1.3.Principle Component Analysis Scree Plot



Interpretation: The goal of principle component analysis is to explain the maximum number of variance with the fewest principle components.

The first four principle components with variances equal to the eigen value grater than 1 represents the 77% of the total variability, suggesting that the four principle components adequately explain the variability in the data.

As the score coefficients of factors Pay and Benefit , performance management, Career and Personal Growth Development and Rewards and Recognition in the first principle component are 0.145,0.147,0.143 and 0.151 respectively.

That is, these factors are having highest weight in principle components. Thus we are selecting these factors as most important factors amongst all 13 factors.

Conclusion:

- The overall level of engagement of the five Public Sector Undertakings under study is 77%.
- The percentage of actively engaged employees is 10%, while engaged employees are 68% and not engaged are 22%.
- The principal component factor has analyzed four major factors out of the thirteen factors affecting employee engagement these are:

Factor no 4: Pay and benefits

Factor no 5: Performance management

Factor no 6: Career and personal growth/training and development

Factor no 7: Rewards and recognition

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