

A Comparative Analysis of Employee Engagement

Anupama Dullo Raina
Faculty Member,
IBS, Gurgaon,
IDPL Complex, Old-Delhi Jaipur Road,
Dundahera, Gurgaon, Haryana, India.
E-19, Phase-I, New Palam Vihar Gurgaon (HR)

M G Shahnawaz
Faculty Member,
Jamia Millia Islamia University,
C-9, 2nd Floor, Johri Farm, New Delhi-110025

Abstract

The current research study explores employee engagement in public and private sector. The study explores and enumerates the factors which would lead to employee engagement in public and private sector, in banks and insurance companies focusing on front line and managerial level of employees. The objective of the research study was also to investigate how public and private sectors influence employee engagement, in two types of organizations (Banks & Insurance) and at two levels of organizational hierarchy. Sample consisted of 280 employees working in public and private sector organizations. Employee engagement scale was developed by Gallup organization. The data were analyzed with the help of ANOVA and t-test in order to see the significance of difference among various groups. Employee Engagement was found to be better in case of private sector, and when Motivation was compared in two types of organizations within public and private i.e Bank and Insurance, it was found that the employees of Insurance had better motivation than Bank employees. Positive Feedback was better in case of private sector than public sector. The difference between the two was also found to be significant.

Key Words - Engagement, Organizational hierarchy, Positive Feedback, Motivation.

Introduction

Both public as well as corporate sector organizations are exposed to constant changes in business environment and consequently face a lot of challenges in the form of fast emerging opportunities and rival threats in this business survival race. Few dimensions of such a constant changing business environment scenario are attributable to innovative technological advances, cutthroat competition due to globalization and changing economic trends in the globalised world. In this competitive business race, the driving tendency of any business organization is always led by the desire to survive and sustain growth. But simultaneously, these rapid changes in turn affect the employees as well as organizations. These organizational functions need to be strengthening to create employee values and foster development. The organizational functions like organizational culture, organizational climate, employee engagement, organizational effectiveness etc “Organizational culture creates high levels of commitment and performance” (Martins & Martins, 2003). Some argue

that the compatibility between individual values and organizational culture values enhances employee commitment (Nazir, 2005) reduces labor turnover (Sheridan, 1992) & increases job satisfaction (O'Reilly et.al.1991). According to Harter, Schmidt and Hayes (2002) “The individual’s involvement and satisfaction in the organization as well as enthusiasm for work” are the key determinants of employee engagement. Employee engagement is the level of commitment, satisfaction and involvement an employee has towards their organization. Although there are many different definitions of employee engagement, the common theme among them is captured in the definition provided by Schaufeli and Bakker (2004), “Positive, fulfilling, work-related state of mind that is characterized by vigor, dedication and absorption. Engagement at work was conceptualized by Kahn, (1990) as the ‘harnessing of organizational members’ selves to their work roles. In engagement, people employ and express themselves physically, cognitively, and emotionally during role performances. Engagement in organizational behavior is the notion of flow advanced by

Csikszentmihalyi (1975, 1990). The concept of employee engagement has employee commitment and organisational citizenship behaviour as its foundation (Rafferty et al 2005). Commitment – The concept of organizational commitment has attracted considerable attention over the past many years. Various kinds of commitment and the impacts of a committed workforce lay the foundation for employee engagement. Commitment and engagement are not considered to be one and the same but commitment is considered to be an important element of engagement. Organisational Citizenship Behaviour – The concept roots of organisational citizenship behaviour goes back to Barnard (1938) who defined organisational citizenship behaviour as “willingness of persons to contribute efforts”. Katz (1964) distinguished between dependable role performance and what he described as spontaneous behaviour, which includes cooperative gestures, behaviour that enhances the external image of the organization.

The research questions of the study are:

1. How public and private sectors influence employee engagement?

2. How bank and insurance organizations affect employee engagement?
3. How two levels (front line and managers) of organizational hierarchy influence employee engagement?

Hypothesis

1. Employee engagement will be different in public and private sector organizations.
2. Employee engagement will be different in banks and insurance.
3. Employee engagement will be different at two levels of organizational hierarchy i.e front line and managers.

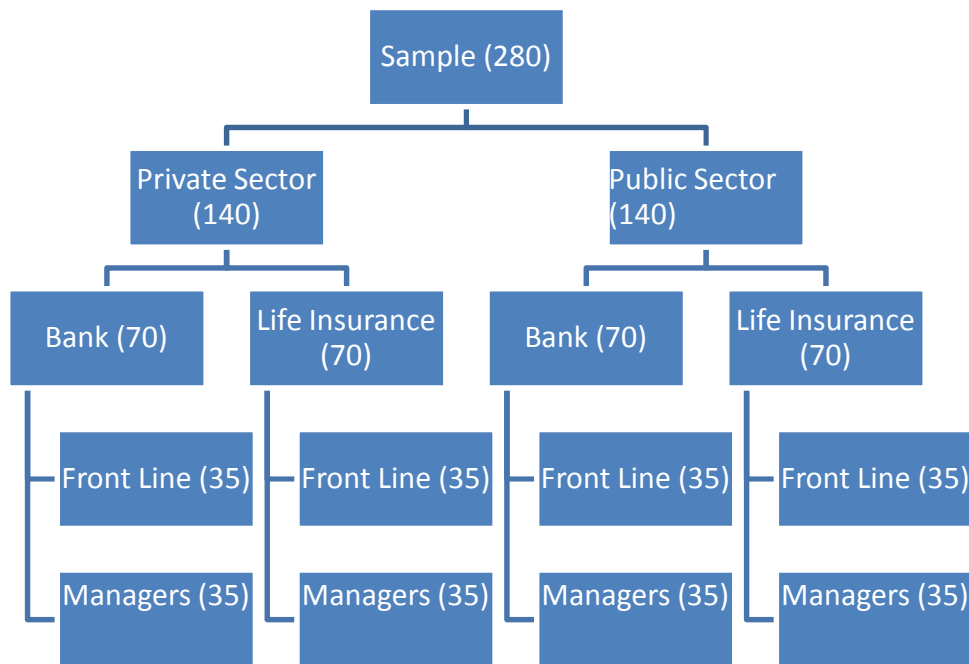
Sample for the present study were collected from both public sector companies (Such as Banks, Insurance Organizations) and private sector organizations (Such as Banks, Insurance Organizations). Participants have been selected randomly from both sectors.

A total of 280 (two hundred and eighty) fulltime employees were selected and comprised of equal number in public and private sector (i.e. 140 samples from public sector and 140 from private sector).

To make study more relevant in each sector two organizations were used for the study in both public and private sector.

The selected organizations were Public sector banks and insurance companies and Private sector banks and insurance companies. The total sample size was 280 employees, 140 were drawn from public banks and insurance (70 from banks & 70 from insurance) and 140 were from private banks and insurance (70 from banks and 70 from insurance). 70 employees were from public sector banks and 70

employees were from public sector insurance and 70 employees were private sector banks and 70 employees were private sector insurance. Employees had been drawn from different offices of these units. They were matched with respect to their net income as well as with their age. In banks 35 employees were front line and 35 were managers and in insurance organization 35 were front line and 35 were managers. Front line of employees has experience less than 3 years and Managers experience more than 3 years.



The data were analyzed with the help of ANOVA and t-test in order to see the significance of difference among various groups. Multiple Regressions was used to measure the extent to which the predictors

influenced the criterion variable in the present study.

Employee Engagement Scale

The Employee Engagement scale (Gallup Q12 scale) has been used which is being developed by Gallup, Mercer, Hewitt and Watson Wyatt (consulting Companies). It is a twelve –question survey that identifies employee engagement. The result was a 12- question survey in which employees are asked to rate their response to each question on a scale of one to five

(<http://gmj.gallup.com/content/811/Feedback-Real.aspx>).

Some of the items are like:-

1. Do you know what is expected of you at work?
2. Do you have the materials and equipment you need to do your work right?
3. At work, do you have the opportunity to do what you do best every day?

4. In the last seven days, have you received recognition or praise for doing good work?

Each item has been considered as a dimension of measuring Employee Engagement. The scale was factor analyzed on the current sample to see its relevance by using principal component method. It resulted in 3 factors, which explain 55% of variance in the employee engagement on the current sample having 11 items. The next table shows the various items and their factor loadings in each of the 3 components. The factor loadings of each item are given in the parenthesis against the items. In the present scale only those items whose factor loadings were more than .5 (FL >.5) has been selected for the study.

Table-1.1 Showing Rotated Factor Eigen values of 3 Factors

S.no	Component	Eigen Values	% of Variance Explained	Cumulative %
1.	Motivation	4.02	33.34	33.34
2.	Positive Feedback	1.38	11.55	44.90
3.	Recognition and Involvement	1.21	10.11	55.01

Table-1.2 Items in Each Factor along with Rotated Factor Loadings

Factors	Items	Factor Loadings
Motivation	Best Friend	.53
	Committed co-workers	.68
	Mission/ purpose	.74
	Opinions	.70
	Encourage your development	.66
	Care	.57
	Materials & Equipments	.59
	Expectation from you	.69
Positive Feedback	Progress	.60
Recognition and Involvement	Recognition/ Praise	.57
	Opportunity to do what you do best	.84

Table-1.3 Showing means, S.D's and inter- item correlations of the 3 Factors.

Variable	Mean	S.D	1	2	3	4
1 (Motivation)	27.00	6.74	1	.31**	.25**	.96**
2(Positive Feedback)	3.72	.99	.31**	1	.12*	.42**
3 (Recognition and Involvement)	7.45	1.93	.25**	.12*	1	.48**
4(Employee Engagement Rotal)	38.18	7.84	.96**	.42**	.48**	1

*Significant at .05level, **Significant at.01level.

Table 1.3 shows that among the employee engagement variables all the variables are significantly and positively correlated with each other.

The following ANOVA table shows comparison among public sector and

private sector of two different types of organizations (banks and insurance) at two levels of organizational hierarchy (front line and managers) with respect to Employee Engagement.

Table-1.4 Showing ANOVA among two sectors (Public & Private), two types of organizations (Bank & Insurance) and at two levels (front line and managers)

Source	Sum of Squares	df	Mean Square	F	Sig.
Sectors	882.17	1	882.17	15.48	.0001
Type	465.43	1	465.43	8.17	.005
Level	5.43	1	5.43	.09	.758
Sectors *Type	20.08	1	20.08	.35	.553
Sectors * Level	315.03	1	315.03	5.53	.019
Type * Level	2.23	1	2.23	.03	.843
Sectors * Type * Level	1.88	1	1.88	.03	.856
Error	15495.42	272	56.96		
Total	425393.00	280			

The above table shows Employee Engagement as influenced by different sectors (public sector and private sector organizations) of two different types (banks and insurance) at two levels of organizational hierarchy (front line and managers). Different sectors i.e. Public and Private have different impact on Employee Engagement of people. As it is shown by significant F- value (15.48; $p < .0001$). Similarly different type of organizations i.e. Banks and Insurance

have also significant impact on the Employee Engagement of people of these two organizations (Public Sector and Private Sector) as shown by significant F – value (8.17; $p < .005$). However, the two levels of employees couldn't produce any significant impact on Employee Engagement, out of 4 interactions only one interaction i.e. in between sector and level produce significant impact on Employee Engagement (5.53; $p < .019$).

Table- 1.5 Showing Comparison between two sectors (public and private), two types of organizations (bank and insurance), and at two levels in the organization (front line and managers) on Employee Engagement.

Group	Mean (EE)	S.D	N	t	Sig.
Public	36.41	7.00	140	3.878	.0001
Private	39.96	8.26	140		
Bank	36.89	7.76	140	2.782	.006
Insurance	39.47	7.75	140		
Front line	38.04	7.65	140	.296	.767
Managers	38.32	8.06	140		

The above table indicates that Employee Engagement was better in case of private sector (M = 39.96) than public sector (M = 36.41). The difference between the two was also found to be significant as shown by t- value (3.87; $p < .0001$).

When Employee Engagement was compared in two types of organizations within public and private i.e. Bank and

Insurance, it was found that the employees of Insurance had better Employee Engagement score than Bank employees. The difference was also found to be significant (2.78; $p < .006$).

When Employee Engagement was compared at two levels of organizations i.e. Front Line and Managers, no significant difference was found.

Table- 1.6 showing Mean, S.D's and t-value of two sectors, two types of organizations at two levels with respect to First dimension of Employee Engagement.

First Dimension (Motivation)

Group	Mean (Motivation)	S.D	N	t	Sig.
Public	25.08	6.00	140	4.954	.0001
Private	28.92	6.92	140		
Bank	25.68	6.52	140	3.327	.001
Insurance	28.32	6.72	140		

Front line	25.65	6.54	140	.859	.391
Managers	27.35	6.94	140		

The above table indicates that Motivation was better in case of private sector (M = 28.92) than public sector (M = 25.08). The difference between the two was also found to be significant as shown by t- value (4.954; $p < .0001$).

When Motivation was compared in two types of organizations within public and private i.e Bank and Insurance, it was

found that the employees of Insurance had better motivation score than Bank employees. The difference was also found to be significant (3.327; $p < .001$).

When Motivation was compared at two levels of organizations i.e. Front Line and Managers, no significant difference was found

Table- 1.7 Showing Mean, S.D's and t-value of two sectors, two types of organizations at two levels with respect to Second dimension of Employee Engagement.

Second Dimension (Positive Feedback)

Group	Mean (Positive Feedback)	S.D	N	t	Sig.
Public	3.57	1.04	140	2.538	.012
Private	3.87	.92	140		
Bank	3.80	.988	140	1.439	.151
Insurance	3.63	1.00	140		
Front Line	3.70	.985	140	.239	.811
Managers	3.73	1.01	140		

The above table indicates that Positive Feedback was better in case of private sector (M = 3.87) than public sector (M = 3.57). The difference between the two was

also found to be significant as shown by t-value (2.53; $p < .012$).

When Positive Feedback was compared at two type of organizations i.e. Bank & Insurance and at two levels of organizations i.e. Front Line and

Managers, no significant difference was found.

Table- 1.8 showing Mean, S.D's and t-value of two sectors, two types of organizations at two levels with respect to Third dimension of Employee Engagement.

Third Dimension (Recognition and Involvement)

Group	Mean(Recognition & Involvement)	S.D	N	t	Sig.
Public	7.75	1.98	140	2.551	.011
Private	7.16	1.84	140		
Bank	7.40	2.12	140	.492	.623
Insurance	7.51	1.74	140		
Front line	7.67	1.96	140	1.921	.056
Managers	7.23	1.89	140		

The above table indicates that Recognition and Involvement was better in case of public sector (M = 7.75) than private sector (M = 7.16). The difference between the two was also found to be significant as shown by t- value (2.551; $p < .011$).

When Recognition and Involvement was compared at two type of organizations i.e. Bank & Insurance and at two levels of organizations i.e. Front Line and

Managers, no significant difference was found.

Level of Employee Engagement in different sectors (public sector and private sector) of two different types of organizations (banks and insurance) at two levels of organizational hierarchy (front line and managers). This will be done with the help of norms table developed by the researcher in the present study.

Table-1.9 Shows Level of Employee Engagement by Norms Table

Percentile	Values	Public	Private	Bank	Insurance	Front line	Managers
5	25						
25	33						
50	39	36.41	39.96	36.89	39.47	38.04	38.32
75	45						
95	49						

This table shows whether the obtained Employee Engagement is low, medium, high.

The above table shows that the public and private sector having values 36.41 and 39.96 respectively which means the employee engagement in both these sectors was average with 50 percentile. The two types of organizations, insurance & bank having values 39.47 & 36.47 respectively, also have employee engagement in average category with 50 percentile and two levels of organizational hierarchy again have employee engagement average with values 38.04 for front line and 38.32 for managers. In nutshell it means all 6 cases employee engagement was in average category.

Discussion

The present study found out that the private sector employees attach more importance to employee engagement than public sector employees and at insurance level because of the higher mean value in private sector and in insurance type. The private sector managers believed that autonomy was more important to the effective performance of their job than did public sector managers. This congruency between the perceived importance and existence of autonomy may have contributed to the higher level of commitment demonstrated by the private sector (Flynn & Tannenbaum, 1993). The private sector employees give more significance to financial rewards promises such as wages, fringe benefits, nature of jobs and career development opportunities etc and these factors lead to more

involvement towards jobs, commitment, satisfaction etc. Baldwin (1987) identified some of the distinguishing characteristics of public sector organizations. He proposed that in comparison to the private sector, public sector organizations have: (a) vague, unclear, or ambiguous goals and objectives; (b) more frequent leadership turnover and (c) relative job security for tenured employees. He suggested that in an effort to make politically efficacious decisions, public officials will often agree on goals that are ambiguous and conflicting. However, in the present study it was found that the private sector employees have more employee engagement than public sector, but as mentioned in Table 1.9, the employee engagement of private sector were in average category having value as 39.96 with 50 percentile even though the value was higher as compared to public sector. The Present study also found out that Private sector employees give more importance to motivation and positive feedback than the public sector employees; where as public sector employees give emphasis to recognition and involvement than the private sector. The study in conformity with Kumar & Priyadarshi (2003) that the managers of public sector

seemed to pay more emphasis on working condition, prestige, life style, peace of mind and autonomy where as in private sector on ability utilization, authority, physical activity, personal development and achievement were given more importance. However, there could be also be other reasons for this state of affairs but Khandwalla, (1988) pointed out that the public sector organizations in India shared a major responsibility of social development and transformation. Willem, Devos & Buelens (2007) survey on Belgian employees proved that public sector employees are motivated by other inducement. The study also revealed that public sector employees attached more importance to promises about interpersonal relationships in organizations as compared to private sector employees. Private sector managers have been found to be more satisfied than public sector managers (Solomon, 1986). The satisfaction can be because of the salary and other perks being followed in private sector.

Conclusion

The study was carried out in two sectors (public and two private) organizations, in

two types of organizations (bank and Insurance) and at two levels of organizational hierarchy. As the present study intended to measure employee engagement, the findings indicate that there is a significant difference regarding the perception of employee engagement in public and private sectors, in two types of organizations and at two levels of organizational hierarchy. Very few studies have been conducted in India in the area of employee engagement.

Limitations

One of the limitations of the present study is related with the sample used in the study. Sample size of the present study is just two hundred and eighty and that too taken from different organizations. This is not the representative sample and so the results cannot be generalized. The sample limits the effectiveness of the study in a much broader way.

Employees' level and experience is also another limitation of the present study. Data is collected from two levels of organization hierarchy like Front Line level experience less than 3 years and Managers level experience more than 3 years. There will be difference in terms of perception of the employees for employee

engagement and organizational effectiveness. There can also be difference in terms of understanding and meaning of effectiveness between two levels of organization which also poses as a limitation of the present study.

The methods adopted for data collection is again a limitation of the present study. The results are based completely on the data collected which may be affected by personnel biases.

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