

# ***ANTECEDENTS OF EMPLOYEE ENGAGEMENT IN PUBLIC AND PRIVATE SECTOR COMPANIES***

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## **Abstract**

*Employee engagement and its antecedents have been vigorously discussed in the academic literature over the years; however its differential effect in the public and private sector companies is yet to be deliberated from an organizational perspective. However employees are the major contributors and beneficiaries of the society it is imperative to study the attributes of employee engagement which is a multi faceted concept. Incorporating the theoretical underpinnings from the theories of leadership and theories of motivation, the study identified the most important drivers of employee engagement and their importance in public versus private sector companies in Kerala that restore retain and remains the human capitals within their organization. The hypothesis postulated, analysed the positive impact of antecedents on employee engagement by using a psychometric questionnaire. A total of 800 sample respondents were considered for the study from the manufacturing and service sector companies in Kerala. The results showed that there is a positive impact of antecedents on employee engagement.*

**Keywords:** *Employee engagement, Antecedents of Engagement, Human Capital, Manufacturing Industry, Service Industry.*

## **I. INTRODUCTION**

Witnessing a corporate world the greatest challenge confronting the human resource (HR) managers is to engage their employees cognitively and emotionally. Supported by the

Conceptualization of engagement at work by Kahn (1990) as the “harnessing of organizational members” themselves physically, cognitively and emotionally to their role performances, HR managers are striving to employ newer techniques for getting their human capital’s engaged (Debashish & Ramadoss, 2011, p.2). Various human resource management practices have been identified in the academic literature that helps to create a great workplace. Employees are connected to their organization through meaningful work engagement (May, Gilson, & Harter, 2004; Macey Schneider, 2008; Jena & Pradhan, 2017) by employing these human resource management practices. Studies have already revealed the significant impact of employee engagement on employee performance and overall productivity. The present study explores some of the human resource management practices that strengthen the employer employee relation through engagement. It is also evident from a study that HR practices can build camaraderie through the creation of work teams or support groups (Yelena, Cheryl, Herman, 2018).

Designing human resource management practices to create a supportive work environment that generates engaged employees is a great matter of concern. Organisational leadership is one important arena to be considered as such. Perceptions of supervisor support can be increased by providing them with formal training that creates hands-on leadership and feedback mechanisms

(Yelena, Cheryl, Herman, 2018). A study (Manju, Sheena, 2015) depicts, 74% of the engaged employees have trust in their senior leaders that their leaders have interest in their well being and it is the supervisory support that they experience makes them energized enabled and engaged in their work roles that helps to tackle their obstacles and challenges. The sole national employer Association AMMA, representing Australia's resource sector and its related industries propounded the four quadrant model of employee relations and organizational effectiveness that reveals the impact of employee engagement on work place performance. Among the four quadrants put forwarded, the leadership quadrant showed high level of organizational effectiveness and performance among the employees. The 'Generation Y and workplace Annual Report' (2010) establishes a link between the nature of workplace and employee engagement. It speaks that the level of emotional engagement of individuals is highly contributed by the workplace. The working environment is explained as the place they emotionally engaged, the space they socialize in with the co-workers and the space that supports their health and well – being. The study by (Yelena, Cheryl, Herman, 2018) explored the indirect effect of co-workers and supervisor support (social resources) on employee advocacy behaviour (personal resources). It points that the supervisors and co-workers are the effective personals who can actively communicate, set goals to overcome the challenges and recognize the effort of their employees towards organizational success. Further, they can create a sense of personal commitment towards the organization.

Though many literatures are progressed in the area of employee engagement the authors have identified a research gap in comparing the employee engagement practices among public and

private sector companies in Kerala. Particularly, the study concentrated on to the most important antecedents of employee engagement together which is yet to be explored in any other literature with regard to employees in the public and private sector companies in Kerala. Further no previous attempts have reported in the academic literature in conceiving the difference in the application of employee engagement practices differently to the employees in public and private sector companies. Sticking on to the prima face of employee engagement the study tried to answer the following research questions. What are the important antecedents of employee engagement? Are these engagement practices to be differently employed in getting employees engaged in the public and private sector companies in Kerala? These questions have been addressed through the following research objectives.

- To identify the drivers that determines employee engagement in public vs. private sector companies in Kerala.
- Empirically examine the importance of these employee engagement drivers to determine engagement in public vs. private sector companies in Kerala.

In addition the study holds a lot of insights to industrialists, human resource managers, employees, customers, society and the government. Realizing the affect of employee retention the study gives acuity into the important antecedents of employee engagement to the human resource managers who are greatly concerned with attracting and keeping employees engaged within the organization. Since employees are the major beneficiaries 'this article provides a strong base through the empirical data collected, that the employees should be addressed carefully to skim their cream off towards their engagement via creating a productive workforce in the

organization. Further the direct beneficiaries for the future, the customers and the society are benefitted from the employee employer relationship that it results in increased productivity; enforce relationships and delivering high value added products. Moreover, enhancing the academic community with addressing a much needed topic on the drivers of engagement the study helps them to elicit a new area of academic research including the practical and theoretical understanding of the important antecedents of employee engagement addressing its application differently in the public and private sector companies in Kerala.

Followed by the introduction, in section two and three together we discuss the literature review and the hypothesis we formulated, section four elaborates the research methodology in detail followed by discussion and conclusion. In final section the study expresses the limitation and directions for the future research.

#### **Literature review and hypothesis formulation**

##### **Employee Engagement and leadership support from supervisors**

Theories of leadership especially the transactional and the transformational theories points out that the consideration and the support of the leaders will optimize their employee's which in turn positively predicts their work engagement (Xinxin, Baoguo, Yongxing, 2018). Individualized consideration, the fourth dimension of transformational leadership explains about the leader's interest in considering and addressing employee's needs leading to employee engagement (Bass, 1997). In an empirical study it was reported that leaders play a major role in engaging employees in their work that helps them in performing beyond their expectation (Lalatendu, Sajeet, Nrusingh, 2017). Therefore we proposes that leadership support from supervisors will positively lead to employee engagement. Hence,

**H1.** Leadership support from supervisors has a positive impact on employee engagement.

##### **Employee Engagement and co-worker support**

The Social Exchange theory and the Conservation of resource theory are the two theoretical grounds that reflect the relational interdependence between co-workers that helps against loss of human capital (Blau, 1964). It explains that these human capitals will invest their maximum potential while preventing any future resource losses (Yelena, Cheryl, Herman, 2018). Employees exchange their personal resources like commitment and effort for the social resources like co-worker and supervisor support (Cropanzano & Mitchell, 2005). This commitment that they put forward in assisting their co-workers leads to their personal attachment towards their organization leading to a high employee engagement. So the following hypothesis is put forwarded,

**H2.** Co-worker support has a positive impact on employee engagement.

##### **Employee Engagement and Job Autonomy**

The job characteristic theory gives a strong theoretical support for job autonomy and work engagement as the theory (Reiner and Zao (1999) Hackman and Lawler (1971) have viewed skill variety, task identity, task significance, autonomy and feedback as the most important dimensions of the work environment, (Saks, 2006; Shantz, Alfes, Soane, & Truss, 2013; Yong et al., 2013) said that Job autonomy and employee engagement are positively associated. A study by Yong et al. (2013) showed a higher engagement levels among the employees when they were given job autonomy. Thus we advocate the hypothesis:

**H3.** Job autonomy has a positive impact on employee engagement.

### **Employee Engagement and Job Flexibility**

In the view of (BAL Et Al., 2012; Moen, Kelly, & Huang, 2008) a person and a job is greatly fitted in between by their work place flexibility. Through work adjustment model by Baltes and colleagues (1999) explains that employees may achieve their requirements and needs from their job through more flexibility. Ageing theory, Institutional theory (Masuda et al., 2012), Neo institutional theory (Mc Namara, Pittcatsouphes, Brown and Matz-Costa, 2012) discusses about the different aspects of flexibility regarding the younger and older workers as well (Matthijs and Paul, Jansen, 2016), managing flexible work in the workplace which benefits both the employees and the business is workplace flexibility (Geetha, Peck, Balasundram, Ershad (2013) contributing higher engagement and commitment among workers through reduced working. Flexibility helps to perform their work roles effectively (Sussanna, Rashad, 2014) which is a useful tool to enhance motivation for the younger and older workers (Bal, De Jong, Jansen, & Bakker, 2012) that contributes both employees and organizational performance and engagement (Bal & De Lange, 2015) that helps to retain engagement (Cebulla, Butt, & Lyon, 2007). An employee's successful career and higher engagement levels were related to flexibility (Bal et al. (2015) and flexibility is positively related to employee engagement (Pitt-Catsouphes and Matz-Costa (2008)). Such that the following hypothesis is postulated:

**H4.** Job flexibility has a positive impact on employee engagement.

### **Employee Engagement and Job security**

Presence of "precarious work" that is no job security has been increased from the customer market to the employer employee relationship as pointed out by (Lambert, 2008, Kalleberg, 2011, 2009). Job security regarded as an extrinsic source

of job satisfaction is to be attached to the intrinsic sources together to have a sense of satisfaction (Rose, 2001). Job security is reflected in the job related outcomes which depicts the high levels of general competencies of the employees (Rad & Yarmohammadian, 2006). Reassurance of job security was one among the immediate action that the employees requested to the employer to improve engagement level in the economic distress in a 2008 survey conducted by CHA including one thousand employees (CHA, 2008 cited in Peacock, 2008). Security in performing the work roles result in job engagement (Ying, 2009). (Thomas et al., 2006) Job security also played a role in creating job satisfaction and commitment as expressed by industrial and organizational psychologists. Strongly supported by Preuss and Lautsch (2002) job security induces job satisfaction and organizational commitment (Gil and Brenda, 2002). Tannenbaum (1992) reported that job security is the top priority given by the third world countries based on Maslow's needs hierarchy theory. Though job security is treated differently in the public and private sector companies the lack of its stability causes annoyance among the employees (Monica, Sabina, Larisa, (2016). In the light of this the following hypothesis has been put forwarded:

**H5.** Job security has a positive impact on employee engagement.

### **Employee Engagement and Rewards and Recognition**

Content theory which is one of the dimensions in the Theories of Motivation forms the basis of factors that motivate people to perform effectively and efficiently.

Gemserv reward and recognition strategy helped to shape their employee's career and personal development which helps them to attract, engage and retain them in the competitive market

(Sarah Lardner, (2015). Recognition in the form of rewards for improvements (Ellen, Thomas, Parveen, 2012) and delivering these promises is a key to engage the workforce (Watson Wyatt (2007). Their report says that 69 per cent employees who receive their promises from the employers are highly engaged than those employees who do not. Robinson et al. (2007), Gemma Robertson-Smith and Carl Markwick (2009) suggest rewards as a driver of engagement. Apart from salary which is a disengage than an engager, receiving timely rewards and recognition is the key driver of engagement. Rewards and recognition is considered as a factor that predicts job and organizational engagement (Saks (2006). Companies actively into these recognitions report lower employee turnover and higher employee engagement (Manju, Sheena, 2015). Considering this we recommend the following hypothesis:

H6. Rewards and Recognition has a positive impact on employee engagement.

#### **Employee Engagement and Performance appraisal**

The goal setting theory and the Expectancy theory deals with the individual goal and expectations of an employee that result in his or her performance. Many researchers have identified the positive effect of employee performance by rewards and management system (Rosa et al., 2008; Verbeke et al., 2016). Organisations by recognizing employee performances are able to strengthen their boundaries (Cacioppe, 1999). Leaders should be developed to support more effectively and revision of performance appraisal is also to be done (Ivan, Cary, and Cooper 2009) to get employees engaged. The Gallup Workplace Audit (Harter et al., 2002) focuses on the three core concepts of attachment, commitment and organizational citizenship that

explains positive employee behavior that leads to performance. Exceptional performances should be rewarded by the performance appraisal system but if not, the worker will not be penalized when he or she does not display such behaviour (Van Dyne & LePine, 1998). Low self-monitoring individuals and high self-monitoring individuals tend to get better performance appraisals and promotions to emerge as leaders by themselves (Day et al., 2002; Day & Schleicher, 2006). Very few researches have been identified in the area of performance appraisal (Gomez-Mejia, Nunez-Nickel, & Gutierrez, 2001) linked to employee engagement hence we put forth the following research hypothesis:

H7. Performance appraisal has a positive impact on employee engagement.

#### **Employee Engagement and Training and Development opportunities**

Learning participation theories which are directly linked with motivational theories helps to identify the different aspects of training and development as a human resource management practice. Employees abilities and skills can be sharpened by assisting them with training and development which helps in engaging them in their work (Xinxin, Baoguo, Yongxing, 2018). To strengthen, Gallup studies showed a cross validation link between high engagement and development of people. Organisational cultures enables employees to be engaged (Levinson (2007a) Robinson (2007) and development opportunities creates high engagement levels. Career advancement and training and development opportunities were considered to be the important drivers of engagement by (Melcrum's (2007), Roffey Park Institute. Sarah Lardner 2015) in their study pointed that 12% of the employees moved forward with the career development opportunities. Growth of an employee is characterized by the positive development in the work environment

(Kossek and Michel, 2011). The quality of training depends on the development of an employee but still training and development can be considered to be the important drivers of engagement (Robinson et al. (2007). Saks has also stressed that when job resources (factors of personal development) are present employees are seemed to be more engaged. Proving these above discussions we put on the following hypothesis:

H8: Training and development opportunities have a positive impact on employee engagement.

## **Methods**

### **Sample and procedures**

To elicit the real drivers of employee engagement in the public and private sector companies in Kerala 400 sample respondents separately from public and private sector companies were selected which constituted a total of 800 samples. Considering the companies in the industrial sector, the study categorized the sector into manufacturing and service to add the accurate position of employee engagement among these industries. Later, 200 employees from the manufacturing sector and 200 employees from the service sector were selected separately from the public and private sector companies. Employees selected as samples comprised of high, middle and lower level management. Knowingly, these industries are scattered all along Kerala, we collected the samples from Thiruvananthapuram, Ernakulam, Trissur, Kottayam and Malappuram Districts to explore the actual context of the employees among different districts. We have approached the CEOs, managing directors or instead the HR heads of these industries with a letter of request along with the questionnaire for permitting us to carry out the survey in their organizational premises. We highlighted their involvement in the study by briefing the content of

the study. Ensuring our oath in writing to maintain confidentiality of the collected data and promising them to use the data only for academic purposes, they have granted their consent. Subsequently we received approval from the competent parties concerned. All the employees were advised to participate in the survey by their respective heads through a mail. With the help of HR managers and the sectional managers we approached each respondent in person and explained about the study and have provided them with questionnaire along with a cover note.

### **Questionnaire Development**

The questionnaire designed on psychometric scale to collect the required data consists of two sections. The medium used to frame the statements was English and no elucidation in the mother tongue was required as in all the employees were able to understand the meaning of the questions. Section I identified the questions focusing on to the demographic profile of the sample respondents like gender, age, working experience, name of the company, tenure, position, number of employees, type of organization and salary range. Statements in section II tried to elicit the antecedents of employee engagement. Literature review of the theories on the attributes of employee engagement helped to identify the important drivers of employee engagement. Emphasis was given on the eight drivers of engagement such as Leadership support from supervisors, co-worker support, job autonomy, job flexibility, job security, rewards and recognition, training and development opportunities and performance appraisal. The attributes selected were measured using a 5 point Likert type scale having response from “strongly disagree” to “strongly agree” corresponding to the values ranging from 1-5. A total of 1240 questionnaires were distributed out of which 845 were received in a completed

form from which 800 were selected for statistical analysis.

**Results**

**Data Analysis**

The data analysis of the study conducted in three major stages. In the first stage the study conducted an Exploratory Factor Analysis (EFA) to check the unidimensionality of the scale. In the second stage, we conducted Confirmatory Factor Analysis (CFA) to confirm the validity and reliability of the scale. After confirmation of the reliability and validity of the scale, the study performed Structural Equation Modelling (SEM) to test the study hypotheses.

In the EFA, the study incorporated the items measuring the proposed dimensions, such as leadership support (LS), co-worker support (CS), job autonomy (JA), job flexibility (JF), job security (JS), rewards and recognition (RR), performance appraisal (PA), training and development (TD). From the analysis, the study found that all the items

capturing the dimensions were loaded highly into the respective factor (Bartlett’s test of sphericity = 12.10,  $p < .001$ ; KMO = 0.90). In addition, from the analysis no cross loading cases were reported. This findings supported unidimensionality of the scale.

Further, the study conducted CFA using AMOS software. From the analysis CFA also supported the validity and reliability of the scale measures. As shown in Table 1, the results supported that all the composite reliability (CR) values were above the suggested cut-off, thus confirmed the reliability of the scales (Hair et al., 2010). Further, from the results we found that all the Average Variance Extracted (AVE) values were above 0.40, indicated convergent validity of the scale. In addition, we also confirmed the discriminate validity via confirming the fact that the correlations between the construct dimensions were greater than the AVE values.

Table 1: Discriminate and convergent validity tests

	CR	AVE	MSV	MaxR(H)	LS	CS	JA	JF	JS	RR	PA	TD
LS	0.846	0.658	0.320	0.921	<b>0.811</b>							
CS	0.870	0.430	0.373	0.950	0.326	<b>0.656</b>						
JA	0.890	0.452	0.367	0.965	0.032	0.606	<b>0.672</b>					
JF	0.765	0.353	0.291	0.969	0.221	0.441	0.297	<b>0.594</b>				
JS	0.912	0.509	0.108	0.977	-0.037	-0.006	0.112	-0.311	<b>0.713</b>			
RR	0.841	0.571	0.533	0.980	0.425	0.611	0.239	0.539	-0.099	<b>0.756</b>		
PA	0.790	0.490	0.181	0.981	0.148	0.426	0.300	0.326	-0.060	0.380	<b>0.700</b>	
TD	0.819	0.480	0.166	0.983	-0.052	0.223	0.374	0.247	-0.131	0.123	0.407	<b>0.770</b>

\*diagonal elements shows square root of AVEs. Employee engagement = EE, leadership support = LS, co-worker support = CS, job autonomy = JA, job flexibility = JF, job security = JS, rewards and recognition = RR, performance appraisal = PA, training and development = TD.

After confirming the reliability and validity of the scale, the study tested the hypotheses using SEM in AMOS software. The results of the analysis supported that the data fit to the model well ( $\chi^2 = 21.11$ ,  $p < 0.01$ , CFI = .910, SRMR = 0.40, GFI = 0.91, TLI = 0.92, RMSEA = 0.45). As postulated in H1, the results supported that the

leadership support has a positive and significant impact on employee engagement ( $\beta = .134$ ,  $p < 0.001$ ). Thus, we found support for H1. Further, the results supported that co-worker support has a significant impact on employee engagement ( $\beta = .194$ ,  $p < 0.001$ ). Thus, the study supported hypothesis 2.

Table 2: SEM results

Endogenous variable		Exogenous Variables	Unstd. Estimate	Std Estimate	P
EE	<---	LS	0.134	0.059	**
EE	<---	CS	0.194	0.171	**
EE	<---	JA	0.223	0.276	**
EE	<---	JF	0.124	0.183	**
EE	<---	JS	0.616	0.585	**
EE	<---	RR	0.321	0.321	**
EE	<---	PA	0.122	0.231	**
EE	<---	TD	0.130	0.060	**

\*\* shows significant at 0.05% level. Employee engagement = EE, leadership support = LS, co-worker support = CS, job autonomy = JA, job flexibility = JF, job security = JS, rewards and recognition = RR, performance appraisal = PA, training and development = TD.

From the analysis, we found that Job autonomy has a positive impact on employee engagement ( $\beta = .223$ ,  $p < 0.001$ ). Thus, the study supported hypothesis 3. The analysis of Job flexibility on employee engagement also supported a significant effect ( $\beta = .124$ ,  $p < 0.001$ ). Thus, the study supported hypothesis 4. Job security also supported a significant effect ( $\beta = .616$ ,  $p < 0.001$ ).

Thus, we supported hypothesis 5. Further, rewards and recognition also supported a significant effect ( $\beta = .321$ ,  $p < 0.001$ ). It supported hypothesis 6. The analysis of the impact of performance appraisal on employee engagement also supported a significant effect ( $\beta = .122$ ,  $p < 0.001$ ). Thus, we supported hypothesis 7. Finally, training and development also supported a significant result ( $\beta = .130$ ,  $p < 0.001$ ). Thus, it supported hypothesis 8 (See Table 2).

## Discussion

The intention of the study was to identify the important antecedents of employee engagement in public vs private sector companies in Kerala. It gave an insight into the important contributors of engagement in retaining employees in this organization.

However there are difference in the application of these contributors in public and private sector, analysis came up with the result pointing that the above said antecedents are the major contributors of employee engagement in the

public vs private sector companies. Similarly, like the two sides of a coin employee engagement cannot happen in its fullest sense without the effective implementation of its antecedents.

The study proposes that the serious issue of employee retention confronting the hr managers in today's business world can be easily solved out by implementing active employee engagement practices in both of the organizations especially in the private sector. The analysis of the present study confirms the positive influence of the drivers on employee engagement in the private and public sector enterprises.

Ineffective leadership support from the supervisors may lead to poor employee supervisor relationship that arrests the employees from doing their work efficiently. At times employees may cross their difficult situations from the working ambience created by their co-workers.

Hence the study reveals a positive impact of leadership support and co-worker support on employee engagement. Since the employees requite among themselves which leads to a positive or negative engagement, mutual relationship between leaders and co-workers helps to develop a positive work engagement leading to organizational engagement.

Job autonomy, job flexibility, and job security are the other major determinants of the study on employee engagement. Work life balance

can be gifted to the employees by paying attention to these elements as they have a positive impact on engagement of the human capital. It can easily contribute to the well being of the families at the same time the success of the businesses helpful in creating supportive workplaces and the jobs for the future.

As per the study adequate training and development opportunities strengthen employee engagement by nurturing employees to improve their knowledge, skills, and talent and make them expertise in their own respective fields which subsequently increases employee satisfaction towards the job and organization leading to their higher order performance and self-efficacy.

A sense of belonging as per Maslow's need hierarchy theory can be created by providing physical safety in the form of salary and benefits were proved through the present study. Moreover achievement of self actualization needs of the employees like acceptance and recognition of their work instigates employee engagement among the employees in both the public and private sector companies together.

The analysis postulates monetary rewards for performance as a one time achievement but on the other hand recognition among peers and co-workers is a life time achievement. The above discussions reveal the positive effect of the antecedents on employee engagement which finally delights the beneficiaries of the companies in Kerala.

#### **Limitations and future research implications**

Employee engagement and its attributes analysed in the study are positively related. Stressing the results however the study has its own restrictions that offers scope for the future researchers. Inherently, the results of the study cannot be generalized and extended to all the

manufacturing and service organizations separately in public and private sector companies in Kerala.

Moreover there are other industrial sectors to which the study can be expanded. Size of the sample is yet another restraint of our study since Kerala is now an industrial hub considering 800 sample respondents may not be an adequate representation of the population. Regarding the antecedents of employee engagement identified in the study it may vary separately in the public and private sector companies as the private sector is more interested in exploring newer attributes of engagement.

In addition, there can be other HR drivers of engagement which should be given priority in the private sector as compared with the public sector. The future researches can focus on the difference in the human resource management practices employed among the public and private sector companies. However further research can be carried out to identify why the concept of employee engagement is viewed with lesser importance in the public sector.

In our observation government should arrange for adequate training programmes for the companies to encourage researchers in their premises since many firms were reluctant in giving their responses. Researchers in academia can try out to explore this area of research stating the government's role in creating transparency among the industrial sectors in Kerala.

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