

# Predictors of Employee Engagement: The Case of an Indian PSU

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*This paper explores the predictors of employee engagement in a public sector undertaking. The roles of situational factors, (HR policies and practices), personal attributes (age, gender, qualifications, work experience designation) and work values were examined as the potential predictors of employee engagement. A conceptual model was developed and tested with a sample collected using the survey method. The findings show that while some of the situational factors predict employee engagement, none of the personal attributes emerged as a critical predictor. The study demonstrated the importance of the situational factors and hence calls for giving increased importance to these factors while managing the human resources.*

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## Introduction

Organizations today are facing the challenge of having the right kind of talent for implementing the business strategies. In their efforts to have the right talent mix, firms employ contemporary hiring and retaining practices. One of the keys for success in the hyper competitive marketplace is to have employees who are committed, engaged and motivated to create breakthrough products and services. Resource based view theorists suggest that employees are a source of competitive advantage. Employees with the right kind of skills, competencies, behaviors and attitudes will make a difference to the DNA of the organization. Organizations like GE, Google, Apple, Tata Group are defined by their employees.

The concept of employee engagement has been popularized mostly by business consultancy firms during the last one decade or so and it has subsequently caught the attention of the practitioners as well as the research/academic community. All efforts in management are to get the talent strategy right so that the best and the brightest stay and contrib-

ute towards the goals of the organization. The corporate world in the last few years has witnessed a lot of employee dissent and apathy towards the goals of the enterprise leading to lower efficiency and mediocre products and services. Needless to say, all those firms that have survived the global economic slowdown had employees who were deeply engaged with the vision, mission and goals of the organization. Since then, employee engagement has become a topic of interest for many. There are many factors that drive engagement. Several studies have been conducted to identify the drivers of engagement. Combinations of personal and organizational factors are found to trigger engagement. This study focuses on a combination of factors that drive engagement. The idea is to identify the critical factors that influence employee engagement.

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### Literature Review

Engagement means commitment of the employee towards organizational goals and values. Engaged employees care about their organization's interests and co-opt with other colleagues to achieve results. Engaged employees are euphoric about their firm and hold positive emotions for their workplace. They go beyond the call of duty. The onus lies with the organization to create an envi-

ronment where employees have the sense of ownership of the firm they work for and create mutually symbiotic relationship. One of the first to define employee engagement was Kahn (1990) who described it as a multi-dimensional construct wherein employees can be individually or collectively engaged with the organization and their engagement could be cognitive and/or emotional.

Others like Schaufeli et al. (2002) described engagement as "positive, fulfilling, work-related state of mind that is characterized by vigor, dedication and absorption". A lot of disagreement exists among researchers on the definition of engagement. But the widely cited definition on engagement in the literature is emotional and intellectual commitment to the organization (Baumruk, 2004; Richman, 2006; Shaw, 2005). Macey & Schneider (2008) defined engagement as enthusiasm regarding work, absorption in work, and high energy towards work. Little and Little (2006) treated engagement as the unique psychological makeup and experience which is fostered by the ability of the employer to create an atmosphere that promotes engagement and employee interaction at all levels. Gallup defines engagement as employee involvement, satisfaction and enthusiasm towards work (Harter, 2002).

Because employees who are found engaged at work demonstrate greater workplace performance, the concept of engagement has gained widespread international attention. Conceptualized as a positive state of employee motivation (Kahn, 1990), research has shown that

employee engagement shares an important relation with organizational outcome variables such as productivity, organizational citizenship behavior, and overall job performance (Harter, Schmidt & Hayes, 2002; Rich, LePine, & Crawford, 2010; Saks, 2006). Subsequent researchers have suggested that increased engagement would boost a firm's competitive advantage. It is estimated that less than 30% employees who report for work display even partial engagement to their work (Chalofsky, 2010). The global trend shows engagement to be on the decline (Gebauer & Lowman, 2008).

Maslach and Leiter (1997) conceptualized engagement as the opposite of burnout: the former stands for a feeling of involvement, energy and being effective as opposed to feeling exhausted, or being cynical and ineffective, which are the manifestations of burnout. They saw engagement through the lens of the person-job fit, and advocated building engagement through promoting sustainable workloads and empowerment. Although there is uniqueness in each definition and approach for driving engagement, there is also some consistency. Slaten and Mehmetoglu (2011) tested a conceptual model through a survey of 279 frontline employees in hospitality and found that employee engagement is closely linked to employees' innovative behavior. They also found that perceptions of role benefit, job autonomy, and strategic attention were significantly related to higher engagement. It has been observed that many contextual factors have a significant impact on and predict employee engagement. Some personal attributes of

employees like age, gender, work experience, qualifications, designation and work values are also known to influence the level of engagement. This is captured in the conceptual model of the study (fig. 1). This study is an attempt to test this model with the help of empirical data collected from the sample organization.

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## **Methodology**

This study was conducted to determine the level of engagement and to identify its predictors in a public sector undertaking. The guiding framework for this research is depicted in fig.1. Organizational commitment and job involvement are used as indicative measures of employee engagement in this study. The role of a number of factors has been examined as the potential predictors of employee engagement. A multi-item structured questionnaire was administered to the respondents who were asked to indicate, against each statement, the extent to which they agreed or disagreed on a four-point scale ranging from 0 (strongly disagree) to 3 (strongly agree). All measures used in the study are standardized scales with very sound psychometric properties.

The study was conducted in a 44 year old PSU offering engineering and con-

sulting services in metals, power, oil, gas and infrastructure. It has operations in many locations in India. This particular study was conducted in the corporate office of the organization located in one of the eastern states of India. The total employee strength in this particular location is 1500 out of which 1100 belonged to the executive cadre. These 1100 executives constituted the universe of this study.

The questionnaire was administered online to the respondents using Google Docs. The link to the questionnaire was sent to about 250 executives using a purposive sampling technique. The objective was to cover executives from different hierarchical levels and functional areas. The sample constituted 22.72% of the executive population of the corporate office. Fifty one useable responses were obtained with a response rate of 20.4%. Follow-up reminders were also sent requesting them to participate in the survey. Some of the respondents were reminded through telephone calls on their office numbers. The respondents ranged between 22 and 57 years of age, with average age of the respondents being 38 years and work experience ranged between one and 33 years with average work experience for the sample being about 14 years. Out of the 51 respondents, 44 were males and 7 were females. Only six out of the 51 respondents had a postgraduate degree while all the rest had graduate degrees as their qualification. Further details about the background profile of the sample are provided in the appendix. Since the sample is highly skewed to-

wards male employees and also because there is not much differentiation in terms of educational qualifications, these two background variables were dropped from further analysis. Also excluded is the variable called designation as the observed frequencies for some of the status levels were as small as 2,3,7 or 8.

For the purpose of this study, organizational commitment and job involvement have been used as indicative measures of employee engagement. The potential predictors of employee engagement have been categorized as (a) personal attributes of the employees that include age, work experience and a personal trait called work values and (b) situational factors that include a number of HR policies and practices shown in fig. 1.

### **Study Findings**

The findings of the study are presented in Table 1 in the form of descriptive statistics. The table shows the level of employee engagement and the status of its potential predictors. It also contains details of the measures used to study various parameters and their reliability coefficients. All measures used in this study are standardized scales. To establish their reliability once again, we computed coefficient alpha for all the measures and the values are reported in Table 1.

With overall mean scores of 10.68 (Organizational Commitment) and 9.92 (Job Involvement) out of the maximum

Fig. 1 Conceptual Model of the Study

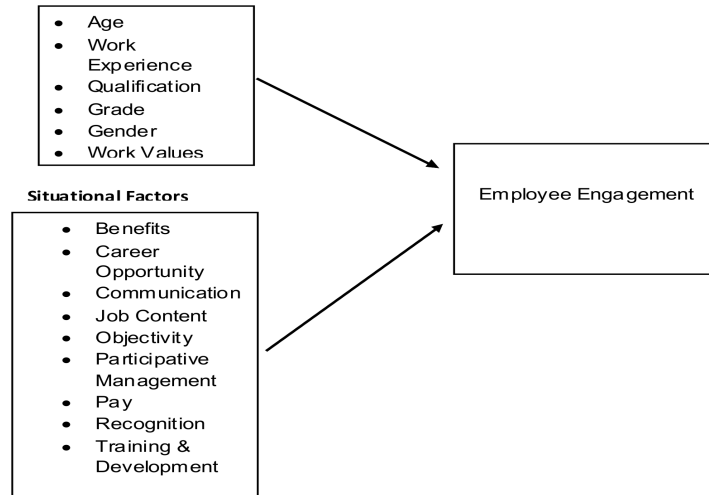


Table 1 Status of Employee Engagement & Potential Predictors of Engagement (N = 51)

Sl. No.	Variable	No. of Items	Score Range	Cronbach Alpha	Mean Score	Std. Deviation	Mean Score as %*
<i>Employee Engagement</i>							
1.	Organizational Commitment	5	0-15	.849	10.68	2.88	71.24
2.	Job Involvement	5	0-15	.718	9.92	2.14	66.13
<i>Situational Factors</i>							
3.	Participative Management	5	0-15	.731	11.03	2.28	73.53
4.	Objectivity	5	0-15	.708	10.96	2.12	73.06
5.	Job Content	4	0-12	.603	8.43	1.64	70.25
6.	Communication	5	0-15	.704	11.15	2.18	74.33
7.	Career Opportunity	5	0-15	.727	10.64	2.20	70.93
8.	Benefits	5	0-15	.781	8.84	2.45	58.93
9.	Training & Development	5	0-15	.732	11.13	2.34	74.20
10.	Recognition	5	0-15	.832	10.78	2.77	71.86
11.	Pay	5	0-15	.698	9.07	2.28	60.46
<i>Personal Attributes</i>							
12.	Work Values	8	0-24	.667	14.21	2.98	59.20
13.	Age of Respondent	-	-	-	38.02	10.71	-
14.	Work Experience	-	-	-	13.51	10.36	-

\*Each mean score was divided by the upper limit of the score range and multiplied by 100.

possible score of 15, the current level of employee engagement in this organization is found to be quite high (71.24% and 66.13% respectively). Likewise, all potential predictors have also been rated quite highly, ranging between 59% and 74%. This shows that the employees of this organization are endowed with highly positive work values and they also perceive the HR policies and practices of the organization quite positively.

**The current level of employee engagement in this organization is found to be quite high.**

We now turn our attention to identifying the critical predictors of employee engagement. As a first-step in that direction, we present in Table 2 correlation between each of the two measures of engagement and each of the potential predictors thereof. All of these correlations are statistically significant. All except the last two variables (age of respondent and work experience) are positively correlated with employee engagement, whereas both age and experience are found to have a negative correlation. In other words, older employees and those with longer experience are less engaged than their counterparts who are younger or have lesser work experience.

**Table 2 Correlation between Employee Engagement & Its Potential Predictors (N = 51)**

Sl. No.	Potential Predictors	Correlation with Organizational Commitment	Correlation with Job Involvement
<b>Situational Factors</b>			
1.	Participative Management	.822	.743
2.	Objectivity	.695	.724
3.	Job Content	.692	.658
4.	Communication	.708	.733
5.	Career Opportunity	.688	.696
6.	Benefits	.614	.507
7.	Training & Development	.648	.648
8.	Recognition	.711	.704
9.	Pay	.621	.466
<b>Personal Attributes</b>			
10.	Work Values	.604	.558
11.	Age of Respondent	-.405	-.411
12.	Work Experience	-.438	-.426

Note: All correlations reported in this table are statistically significant at the  $P < .01$  level.

Since bivariate correlations can sometimes be spurious, it was decided to subject the data to multivariate analysis using stepwise multiple regression technique. Tables 3 and 4 present in a summary form the outcome of this analysis. Out of the

several potential predictors of employee engagement, a set of 3 variables is found to be critical in explaining a fairly high amount of variance in both organizational commitment (74.6%) as well as job involvement (65.1%). None of the three

**None of the three personal attributes (age, experience & work values) emerged as a critical predictor.**

personal attributes (age, experience & work values) emerged as a critical predictor. On the other hand, altogether five situational factors (listed below) were found to be the critical predictors of employee engagement: (1) participative man-

**Table 3 Critical Predictors of Organizational Commitment (Based on Step-wise Linear Regression Analysis)**

Sl No.	Critical Predictors	Zero-Order Correlations(A)	Partial Correlation (B)	Std.Beta Coefficient(C)
1.	Participative Management	.822***	.572***	.536***
2.	Pay	.621***	.380**	.246**
3.	Job Content	.692***	.298*	.221*

**R<sup>2</sup> = .746      Adjusted R<sup>2</sup> = .729      F= 45.920      P < 0.001**  
 : \*\*\* P < .001      \*\* P < .01      \* P < .05

**Table 4 Critical Predictors of Job Involvement (Based on Step-wise Linear Regression Analysis)**

Sl No.	Critical Predictors	Zero Order Correlations (A)	Partial Correlations (B)	Std. Beta Coefficients(C)
1.	Participative Management	.743***	.314*	.325*
2.	Communication	.733***	.305*	.307*
3.	Career Opportunity	.696***	.294*	.265*

**R<sup>2</sup> = .651      Adjusted R<sup>2</sup> = .629      F =29.214      P < 0.001**  
 \*\*\* P < .001      \* P < .05

**Table 5 Partial Correlation & Standard Beta Coefficient between Excluded Variable & Organizational Commitment**

Sl. No.	Excluded Variable	Std. Beta Coefficient	3 <sup>rd</sup> Order Partial Correlation*	tValue	Significance**
1.	Objectivity	-.059	-.065	-.0440	n.s.
2.	Communication	.048	.057	0.388	n.s.
3.	Career Opportunity	.107	.142	0.975	n.s.
4.	Benefit	.041	.055	0.371	n.s.
5.	Training & Development	.018	.025	0.172	n.s.
6.	Recognition	-.002	-.002	-.0.012	n.s.
7.	Work Values	.142	.196	1.354	n.s.
8.	Age of Respondent	-.108	-.198	-1.369	n.s.
9.	Work Experience	-.134	-.242	-1.692	n.s.

\* The controlled variables are the following 3 critical predictors:

(1) participative management; (2) job content; and (3) pay.

\*\*n.s. stands for not significant.

agement; (2) communication; (3) career opportunity; (4) job content; and (5) pay.

In Tables 5 and 6 is presented evidence about the status of the excluded variables. When the effect of 3 criti-

cal predictors is controlled, none of the remaining (excluded) variables has any significant contribution to make in explaining variance in employee engagement in terms of either organizational commitment or job involvement.

**Table 6 Partial Correlation & Standard Beta Coefficient between Excluded Variable & Job Involvement**

Sl. No.	Excluded Variable	Std. Beta Coefficient	3 <sup>rd</sup> Order Partial Correlation*	tValue	Significance**
1.	Objectivity	.009	.007	0.045	n.s.
2.	Job Content	.147	.169	1.162	n.s.
3.	Benefits	-.083	-.099	-0.672	n.s.
4.	Training and Development	.071	.077	0.524	n.s.
5.	Recognition	.150	.143	0.981	n.s.
6.	Pay	-.042	-.057	-0.384	n.s.
7.	Work Values	.079	.096	0.653	n.s.
8.	Age of Respondent	-.145	-.229	-1.592	n.s.
9.	Work Experience	-.141	-.219	-1.522	n.s.

\*The controlled variables are the following 3 critical predictors:

(1) Participative Management; (2) Communication; (3) Career Opportunity.

\*\*n.s. stands for not significant.

## Discussion & Conclusion

The findings of this study reveal that the level of engagement of managerial employees is fairly high in the organization studied. By and large, the younger executives and those with less work experience are found to be more engaged than their older counterparts and those with longer work experience. The respondents are found to be endowed with positive work values. They have also rated the various HR policies and practices of the organization quite highly. The main purpose of this study being a search for the predictors of employee engagement, we examined the role of certain personal attributes of the respondents and various contextual factors as the potential predictors of engagement.

**The situational factors to be far more important than the personal attributes in influencing employee engagement.**

Using both bivariate and multivariate techniques of data analysis, we found the situational factors to be far more important than the personal attributes in influencing employee engagement. Multiple regression analysis revealed that none of the three personal attributes (age, experience and work values) was a critical predictor of employee engagement. On the other hand, the following five situational variables emerged as the critical predictors of engagement: (1) participative management; (2) communica-

tion; (3) career opportunity; (4) job content; and (5) pay. A look at Table 1 will reveal that (except for pay) the other four predictors are already very well looked after by the management. Even pay, with a rating of 60.40% is perceived quite positively by the employees.

The implication of these findings for the organization studied is that the management needs to keep nurturing the said five HR policies and practices so as to sustain the present level of employee engagement. However, since the study was carried out in a single organization with a relatively small sample and its findings are derived through cross-sectional analysis of data, these findings need to be generalized with some caution. But other organizations can take a cue from these findings and utilize their resources and efforts towards building and maintaining an organizational climate that is conducive to creating and sustaining employee engagement.

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**Appendix 1 Background Profile of the Sample**

Sl. No.	Background Variable	Frequency	Percent
<b>1</b>	<b>Gender</b>		
	Male	44	86.27
	Female	7	13.73
	<b>Total: 51</b>		<b>100.00</b>
<b>2.</b>	<b>Education</b>		
	Graduate	45	88.24
	Postgraduate	6	11.76
	<b>Total: 51</b>		<b>100.00</b>
<b>3.</b>	<b>Designation</b>		
	General Manager	2	3.92
	Dy. General Manager	8	15.69
	Asstt. General Manager	7	13.73
	Senior Manager	3	5.88
	Manager	12	23.53
	Junior Manager	19	37.25
	<b>Total: 51</b>		<b>100.00</b>
<b>4.</b>	<b>Age</b>		
	22 – 33 years	17	33.33
	34 – 44 years	18	35.29
	45 – 57 years	16	31.37
	( $\bar{X}$ Age =38.2 yrs.) (SD = 10.706)	<b>Total: 51</b>	
<b>5.</b>	<b>Work Experience</b>		
	1 – 8 years	18	35.29
	9 – 17 years	16	31.37
	20 – 33 years	17	33.33
	( $\bar{X}$ Exp. =13.51 yrs.) (SD = 10.364)	<b>Total: 51</b>	