

Analysing Workers Engagement in Public and Private Sector: with special reference to Telecom, Banking and Insurance Industry in India

Shweta Sharma¹, Sanjeevni Gangwani²

Research Scholar, DAVV University,
Indore, (MP).

E mail-shwets.aplomb@gmail.com

Professor, Medi-Caps University,
Indore, (MP).

E mail-sanjeevnigangwani@gmail.com

Abstract

Service sector in India is growing at such a fast pace that every day is a new challenge for both the employers and the employees. This forces organisations to provide the best opportunities and best working environment to their employees so that they give their best to the organisation and help in the survival in this dynamic environment. The current research explores workers engagement in public and private service sectors in India. The objective of the research study was also to investigate the engagement practices that are emerging in Indian organisations so as to keep their workforce retained and satisfied. The sample consisted of 480 employees from telecom, banking and insurance public and private sector from the selected cities in India. The study used self framed closed ended questionnaire containing 59 statements related to engagement and measured on five point Likert scale. The tool used for analysis was Two Way ANOVA and was done on SPSS16. In all the industries the level of engagement was found to be better in public sector as compared to private sector but no significant difference in engagement was found when compared within telecom, banking and insurance sector.

Keywords: Workers engagement, telecom, banking, insurance, sector.

Introduction

Bringing change in working culture is a long haul. It is not complex, but not so easy while it takes a long time and commitment to gain momentum. Employers try to make new efforts for engaging the workforce but tend to get bored if they do not see immediate results, and their personal agenda moves on. The desire to revise a culture and drive engagement cannot be a short term objective rather embedding change is stiff and takes substantial time and efforts.

‘First Break all the Rules’ by (Buckingham & Coffman) in 1999 focussed the term ‘employee engagement’ and it becomes popular overnight in the corporate world. Different practitioners defined engagement in many different ways that although it is a simple concept it became complex and diverse. Schmidt et al (1993) in his studies defined employee engagement as a modernized version of job satisfaction, which is basically an employee’s involvement with, commitment to and satisfaction with work but it is far more than that.

According to (Frese 2008) when workers are engaged, they positively commit to their organization, willingly make alteration, trust their organization, possess self-efficacy, and seek to achieve progress within their organization. The service sector is the best sector to examine engagement as earlier researches have shown that the best engaged workforce is mostly from the IT or telecom, or banking or insurance etc and their setup is an ideal arena to examine the psychological contract. So, through this paper an effort has been made to compare engagement amongst these service industries in public and private sector.

LITERATURE REVIEW:

Raina Anupama Dullo & Shahnawaz M. G. (2012), in their study found out that the private sector employees give more significance to employee engagement rather than public sector employees and at insurance level because of the higher mean value in private sector and in insurance type. Managers in the private sector believed that autonomy was more vital for the effectual performance of their job than did public sector managers.

Preetinder Singh Gill (2012) in his literature review suggested that employee engagement fall into one of the following five categories: 1) alignment with the organization, 2) management effectiveness, 3) salary and compensation, 4) communication, and 5) opportunity for development and recognition

VanRooy, Whitman, Hart & Caleo (2011) in his issue stated that research on engagement is in a stage of relative infancy and more and more needs to be done in order to identify its antecedents, process mechanisms, and their relative outcomes.

Francis, (2011) in his study on public sector found that, due to the implementation of liberalization, privatization and globalization policies in every orbit of business fields and also due to the evolution of new technological advancement in the productivity and service industries, the distinctive features of public sector enterprise is eroding gradually in every field as they are forced to remain competitive along the vivacious private sectors. Some of the examples of such public sector are telecommunication (BSNL), postal service (India Post), state road transport organizations, airline industries (Air India), petroleum industries

(Indian Oil), public health care hospitals etc,

Boselie, (2010), Taher & Emmert, (1992) through their research raised the question as to whether models of employee engagement will be transferable across contexts and in particular whether the techniques used to encourage employee engagement in the private sector are also applicable in the public sector because most of the research on employee engagement has been conducted in private or manufacturing companies or the research has been done on a broad level without specific consideration to the impact of different occupational settings (e.g. Harter et al., 2002; Saks, 2006).

Sudha (2011), Griffin(2009) ,Lodahl and Kejner (1965) defined job involvement in their study as the “degree to which a person is identified psychologically with his work” or “the importance of work in his total self-image” .

Bakker & Demerouti (2008) in their research aimed at understanding employee engagement in the public service sector highlighted that service jobs are often extra demanding, which may be attributed to the emotional labour necessary for these jobs, and that this would in turn negatively affect employees opportunities for experiencing engagement.

Rainey and Chun (2007, 73) in their study supported the fact that there is very weak relationship between performance and extrinsic rewards may be in the form of recognition ,promotion ,pay and job security in public sector when compared with the private sector. While other motives or incentives such as public services altruistic motives, meaningful work and work that affects important public outcomes, motives have a compensating effect . Camilleri, (2007) and Hondeghem, Vandenabeele, and Steen (2004) also tend to support the distinction between the motivational factors and importance of intrinsic motivators for public sector employees.

Heintzman and Marson (2006) the author founded in his research on public and private sector that the private sector has clearly shown the links between employee engagement and client satisfaction, and also between client satisfaction and bottom line financial results.

Towers Perrin (2003) explained in his study that across industries, engagement is considerably

higher in the non-profit sector compared to other sector examined. The reason behind that is, given that people are attracted towards this sector through a sense of mission, rather than from any prospect of higher pay or wealth accumulation. This finding was also supported by numerous definitions and views surrounding engagement, which identifies a ‘passion for work’ as being a pivotal element (Truss *et al* 2006, Brim 2002 and Holbeche and Springett 2003).

Houston (2000) in his study claimed that private sector workers prioritize extrinsic rewards on the other hand public sector employees are more likely to value intrinsic rewards due to the reason that workers in public sector tend to find less interest in status and prestige, put empathy and equity on higher value, find efficiency not so important, and value the opportunity to lend a hand to others.

Flynn & Tannenbaum (1993) in their literature pointed out that the private sector employees attach more meaning to employee engagement rather than public sector employees 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 is responsible for the higher level of commitment shown by the private sector employees.

Klausen (1996) supported in his studies that motivation must be understood differently in the public sector, as like in private sector incentives

cannot be developed through economical rewards in public sector and also differentiation in positions to promote employees is not possible in public organisations as in the case of private setting.

Objectives Of The Research

1. To analyze whether any difference in employee engagement level prevails while comparing telecom, and insurance industry in public and private sector.
2. To study the emerging trends of Employee Engagement in both the sectors.

Hypothesis Of The Study

Objective 1: To analyze whether there is any difference in employee engagement level comparing telecom, banking and insurance industry in public and private sector.

H10: There is a significant difference in the level of employee engagement in telecom, banking and insurance industry in public and private sector.

H1a: There is no significant difference in the level of employee engagement in telecom, banking and insurance industry in public and private sector.

Research Methodology

SAMPLE

For the research the sample size consisted of a total of 480 employees, 242 from public and 238 from private service sector located in India. The distribution of respondents in telecom, banking and insurance companies in public and private sector is shown in table1. Data was collected

through both primary and secondary sources for the purpose of measurement of employee engagement. The organisations selected for study are shown in table 2. Primary data was collected with the help of structured questionnaires whereas secondary data was collected through published sources such as websites, journals and magazines.

Sample description:

Table I: Distribution of sample

Sector	Organisation	
Public	Telecom	63
	Banking	97
	Insurance	96
Private	Telecom	65
	Banking	83
	Insurance	76

Table II: Organisations under study

Sector	Public sector companies	Private sector companies
Telecom industry	BSNL	Idea
		Airtel
		Vodafone
Banking	SBI (State Bank of India)	HDFC
	UBI (Union Bank of India)	ICICI
	PNB (Punjab National Bank)	IndusInd
	IDBI	
Insurance	LIC (Life Insurance Corporation of India)	HDFC Life Insurance
	New India Assurance	ICICI prudential Life Insurance
	United India Insurance Co. Ltd.	Bajaj Allianz General Insurance

Questionnaire Design

A self framed questionnaire was designed for collecting the data so that the desired objectives can be achieved. The survey basically consisted of two parts where the first part contains the information regarding the Demographic variables and the second part of the survey is **Engagement Survey**, containing the twelve drivers of employee engagement and the data is measured on the five point Likert Scale starting from strongly disagree to strongly agree.

Statistical Analysis

In the study a comparison of different service industries such as Telecom, Banking and Insurance companies in public and private sector is made for measuring the level of engagement. To measure engagement a composite of the twelve drivers of engagement is taken and was considered as a dependent variable whereas public and private sector and different service industries were taken as independent variables. The data was subjected to analysis by Two Way ANOVA. The analysis was done in SPSS version 16 in order to anticipate the difference in engagement in both the sectors in service industry.

Analysis And Discussion

H10: There is a significant difference in the level of employee engagement in telecom, banking and insurance industry in public and private sector.

H1a: There is no significant difference in the level of employee engagement in telecom, banking and insurance industry in public and private sector.

Table III: Univariate analysis of variance

Source	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Corrected Model	44390.456 ^a	5	8878.091	13.300	.000	.123
Intercept	2.556E7	1	2.556E7	3.830E4	.000	.988
ORG	44230.825	1	44230.825	66.259	.000	.123
DEP	1022.748	2	511.374	.766	.465	.003
ORG * DEP	96.763	2	48.381	.072	.930	.000
Error	316416.626	474	667.546			
Total	2.668E7	480				
Corrected Total	360807.081	479				

a. R Squared = .123 (Adjusted R Squared = .114)

Major Findings of The Study

- The analysis is covering service sector organisations such as Telecom, Banking and Insurance industries in both public and private organisations.
- The demographic details show that there are 242 employees from public sector and 238 employees from private sector in all. Among the sample of 480 respondents, 160 are from telecom industry, 161 from banking and 159 from insurance industry.
- The descriptive statistics shows that the public sector (M=243.864) seems to be more engaged than the private sector (M=224.387). Supporting the fact that due to the life time security and the benefits

like insurance policy, pension schemes, private healthcare benefits and several other benefits that a government employee enjoys makes them more engaged and attached towards their organisation developing of positive image of the organisation in an employee's view as compared to private sector organisations.

- *In Telecom industry* (N=160), engagement level in public sector (N=63) M=2.462, SD=22.9953 is higher than in private sector (N=97) M=2.261, SD=33.8428 suggesting that the employees of public sector telecom industry (BSNL) are very much satisfied with the pay structure as well as with the other benefits and rewards that they receive. Although private players in telecom sector are emphasizing a great deal of effort for engaging the workforce by applying more and more engagement practices but due to increased competition among private companies, retention and engagement has become a matter of concern.
- *In Banking Industry* (N=161), the level of engagement in public sector (N=96) M=2.4190, SD=20.8979 is greater than in the private sector (N=65) M=2.237, SD=25.7298. Banks are highly regulated bodies, as they cannot compromise on risk and confidentiality issues. Since the rigidity of work procedure and legacy system in performing work is just like curbing the freedom wished by the private

sector employees so this affects their engagement level.

- *In Insurance organisations* (N=159), engagement is higher in public sector (N=83) M=2.434, SD=20.3913 as compared to private sector (N=76) M=2.233, SD=27.2579. In private sector insurance industries the employees have to meet the targets assigned to them monthly, so that creates a pressure on them resulting in stress and burden also they are not satisfied with the pay scale when compared with their efforts resulting in low engagement whereas public insurance industry employees are not so overburdened and they are happy with the other benefits that they receive.
- The results of the two way ANOVA shows that there is a significant difference in the level of engagement in public and private sector as $p < 0.05$.
- From table 3 it can be seen that the significance value is $p = 0.465$ which is > 0.05 , shows that there is no prominent difference in the level of engagement when compared in telecom, banking and insurance companies. This shows that engagement is not affected by the type of organisation and it has same effect in all the industries.
- From the analysis, looking at intercept of organisation and department, it can be stated that as $p = 0.930$ which is quite larger than 0.05, there is no significant difference in the level of engagement in telecom,

banking and insurance industry in public and private sector. Thus rejecting the null hypothesis and **accepting the alternate hypothesis H1a.**

Objective 2: To study the employee engagement practices in both Public and Private sector.

Although Employee Engagement practices are not seen in every organisation but nowadays all the big brands make it a point that Employee Engagement practices must be there in their organisation along with CSR (corporate social responsibility) activities as it has now become mandatory for all the big corporate to participate in these activities for creating brand loyalty and brand image. So here are some of the examples of Employee Engagement corporate practices in Indian context.

1. **Bharti Airtel LTD :**

There is a special department deployed for employee engagement in Bharti Airtel.

Sportsman spirit: They continuously work to achieve its 3 values- Alive, Inclusive and Respectful. Airtel considers Sports as a valuable tool to promote team spirit and leadership ability. They have their own official team of Football and Cricket.

Talk time with CEO: In the organisation an innovative session is arranged where the employees can meet their CEO and the top management with the purpose of providing a platform where they can share their views with a goal to provide

employees opportunity of open discussion and do away with the middle man.

Employee Communication forum: It is a club consisting of employees from different departments. Every year a grand event is organized by Employee Communication Forum in which members involve with all their ideas, participation and coordination.

Training & Development: Airtel takes their employees as a potential pool of workforce. With that ambition different training sessions for the employees are arranged. An employee can choose the required trainings from a menu and register him for the training. There are online sessions for employees and the interface of e-learning session is called Smart learn+. There are also class room sessions wherein training is provided for functional (Induction of 3G, Network etc) as well as behavioural development (Team Spirit Development, Campus to Corporate, First time Managers etc).

Recognition: the new joiners & the best performers for the month are rewarded with a special dinner / lunch with their Chief Operations Officer.

2. **Tata Consultancy Services (TCS)**

TCS has diverse teams working in different geographic locations having different, created the 'Ultimax' platform which is a forum, where employees across levels and geographies can come together and share their views. The successful

business endeavours of TCS are a result of innovative solutions to work related issues / problems coming from senior executives, guide and team members leading in development of a number of useful products.

3. Aditya Birla Group

A biennial organization health study (OHS), led by the chairman regularly monitors employee engagement at all levels across the organisation providing employees a unique opportunity to anonymously and frankly express their opinions on a range of issues.

The Aditya Birla Awards, for Outstanding Achievement has been a motivating engagement factor. During the awards, a number of Group wide competitions are conducted like Vision 2015, Oh! Not So Smart etc. and these competitions are open for all the employees of the group.

Opportunities for learning, the learning channels deployed by Aditya Birla Group to transform into a learning organisation are: **Gyanodaya**, **The virtual campus**, **Knowledge integration programme (KIP)**, E-360 degree instrument — Pratibimb, **Knowledge @ desktop** — Gyandhara, the Group intranet — Adityadisha, Organisation case studies — Anubhav.

Nurturing talent, Development assessment centres (DACs), Talent reviews, Talent engagement, Career moves and succession plans.

4. Vodafone

'Customer centricity' a new model has been implemented to drive improved customer and employee satisfaction. The Vodafone Way is modelled on three key tenets: Speed, Simplicity & Trust; With line managers being held accountable for team engagement with performance measures and equipping them with tools and strategy to drive performance by giving employees clear goals and a customer/client focus – and thereby achieving increased levels of productivity and innovation even in the downturn..

"Demystifying the Black Box" an initiative run by Vodafone to equip 2,500 people / team managers in understanding the science behind rewards and recognition, so that they may practice the art of retaining and developing their key talent.

5. Microsoft

Employee Involvement Program, aims to offer employees with a further opportunity for personal and professional progress, to apply and extend their skill sets through cross group collaboration, teamwork with colleagues and associates in the community, to develop personal horizons outside the Microsoft environment.

Microsoft employees meet students in schools and colleges and answer questions on various aspects of their areas of expertise, mostly centred on career paths.

6. ICICI

Fast track programs for effective management of talent pool

Regular feedback, for these separate meetings with graduate engineering trainees and management trainees held regularly

Visits by relationship managers to the bank branches to understand and resolve staff problems/issues;

Training and Development Staff training at various levels in functional and managerial skills through classroom, E-learning modules in areas of managerial effectiveness, Presentation skills and Business continuity plans.

7. Tata AIG General Insurance Co. Ltd

World of Work (WOW) is an event wherein employees' children are invited to come and spend time at their parents' place of work.

Employee Town Hall is a happening where the head of the organization addresses and interacts with the entire workforce giving them an insight about the company's advancement and unfolding the way forward.

Fun filled evening is organised for the employees in order to commemorate individual and team achievements.

Sportsman Spirit interdepartmental cricket & football matches organized every year for sports enthusiasts helps foster a spirit of teamwork.

8. Tata Motors

Tata club at Jamshedpur serves as a meeting point for employees and their families as they collectively come, network and have fun.

The Community Development Centres (CDCs) have also been established across India to merge family values into Tata Motors organizational culture.

Merit awards are given in academics, sports & extracurricular activities in order to promote the value of education and to bring to light the achievements of employee's children.

Kalasagar and Kalasangam – Tata Motors Cultural group is dedicated for nurturing the artistic talent of the employees. For this they arrange various cultural events on music, drama, dance and other activities to promote the creativity among the employees and their families.

9. Hindustan Unilever Ltd.

Intense engagement training HUL managers underwent training with Gallup consultants and also reviewed each individual's follow up action plan. Subsequently they went to different locations to talk to sales people individually.

Cyclical feedback system HUL believes that "Ownership of engagement really goes to the manager". Cyclical feedback is good for sales managers and the sales people they manage.

10. Godrej

The Company's motto is 'take yourself lightly and take your job and your responsibilities seriously' and 'Work itself is fun'.

Fun initiatives for the division like Birthday celebrations, Annual get together, Department picnics, Learning and Sharing day, Team Lunches/Movies, Sense of Humour (try to laugh at ourselves rather than others), Attendance /

Retirement functions, Festive dress codes, Dusserah /Diwali celebrations, online quizzes, Saturday casual dressing, Lights Off Day.

Wall of fame for highlighting employee of the Quarter/Month. Some divisions also have clip boards for pasting jokes, cartoons and job related updates.

11. ITC

Culture of partnership is harnessed for bringing out the creative potential of all its employees to unleash relevant synergies between different groups of employees.

Open discussions all major changes in operations involving work processes, manning norms and other productivity linked matters are carried out after discussions with the employees and the recognized unions at each location.

Business plans are implemented after they are shared with employees at all units through a series of formal communication meetings, and through the intranet portals.

Conclusion

Every organisation understands the importance of change but implementing and continuing that change is the most critical task. The study is conducted in public and private telecom, banking and insurance sector and the results shows that it really does not make any difference in the level of engagement when compared in different industries within service sector but there is a drastic difference when compared in public and private sector. In Indian scenario amongst all the industries the public sector scores high when compared with private sector as researches has shown that public sector employees find meaning

in their work by making a positive difference in the lives of the citizens they serve also they feel committed towards the mission of the government. Another reason could be the safety and security that people feel in government jobs along with the work life balance that makes public sector overpowering private sector but there are certain areas in which private sector is a step ahead such as enhancement and learning, motivation, enabling work conditions. . Employee engagement practices across organizations presented in this article will definitely help organisations to gain insight while revising employee engagement strategy for their employees.

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