



Comparison of effectiveness of employee engagement through permanent employees or outsourced employees

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Abstract

All employees of an organization need to contribute for any strategic initiative to be successful. Ideally, these contributions need to be driven by inner forces. Against this background, the concept of “employee engagement” has emerged. Employee Engagement is the emotional connection or engagement of an employee’s feelings toward his or her employment organization, which tends to influence his or her behaviors and level of effort in work related activities. The present study is based on a survey of forty organizations along with relevant secondary data which was collected in order to depict the present day context. The study compares and contrasts the levels of employee engagement between regular employees and outsourced employees working in the sample organizations. The results revealed no significant difference in the level of employee engagement between regular and outsourced employees. Based on the results, suggestions and recommendations are listed.

Keywords: employee engagement, regular employees, outsourced employees, strategic initiatives

1. Introduction

Employee engagement is a workplace approach resulting in the right conditions for all members of an organization to give of their best each day, committed to their organization’s goals and values, motivated to contribute to organizational success, with an enhanced sense of their own well-being.

All employees of an organization need to contribute for any strategic initiative to be successful. Ideally, these contributions need to be driven by inner forces. Against this background the concept of “employee engagement” has emerged. Engagement can be accurately measured with short surveys that contain just a few questions, but such short surveys can only provide an indication of whether employees are engaged. They have a hard time explaining why employees are engaged or disengaged because they lack detail.

2. Literature Review

Employee engagement is the combined involvement of each and every employees of an organization. The several authors and scholars have given their own view related to employee engagement. The research paper is highly influenced by the several articles and research papers which are related to employee engagement. The review of literature contains the details about few research papers and articles.

It was inferred that several underlying reasons for employee engagement. The managers spend significant amounts of time with employees, both one to one and within the team. The managers also create and shape the work environment standards. The top level management people should take initiative to keep engaged all employees by engaging themselves to productive operations and direct influence on

employees. McKay, S. (2008) ^[7], Shuckand, W. (2011) ^[11].

Smart outsourcing decision facilitates to save operational and economic costs and provide abundant capital fund to the organization. Outsourcing decisions help an organization to reduce operational and market risk by utilizing the outsourced employees in the required manner. Outsourcing also enables companies to realize the benefits of developing and implementing re-engineering. Enjali (2012), Ekstein and Van (2007), Monappa and Mirza (2001).

It was found that the high levels of employee engagement continue to be much sought-after by CEOs, and it lies close to the top of most CEOs’ wish list. What’s more, in today’s competitive business environment CEOs need engaged employees. As higher business performance, reduced staff turnover and increased efficiency continue to be linked to engaged employees, no modern CEO can run a competitive business without them. Kahn, H. (1990) ^[4], Stouffer *et al.*, (2013) ^[12].

It has been identified the theoretical understanding of employee engagement. Then an empirical investigation is made of the role that a wide variety of managers’ psychological state of self-efficacy plays in the relationship between their employees’ measured engagement and a multiple measure of the managers’ effectiveness. The manager’s self-efficacy is a partial mediator of the relationship between his or her employees’ engagement and the manager’s rated effectiveness. Both employee engagement and manager self-efficacy are important antecedents that together may more positively influence manager effectiveness than either predictor by itself. Harter *et al.*, (2002) ^[3], Bockerman, and Ilmakunnas, (2012) ^[1].

Senior experienced or retired employees are available while organizations take outsourcing decision. Outsourcing decision creates better opportunities for the regular employees to contribute more towards creativity and innovations that increases their skills and knowledge. Organizations earn more profits and increase financial health while take outsourcing decision. Foxman (1994), Osterman (1987), Flanagan and Ulman (1974), and Friedman (2006).

3. Rationale of the study

The present study was undertaken due to following reasons:

- The researchers were curious to find out the effectiveness of employee engagement in case of permanent and outsourced employees. Because of their curiosity, the present study was undertaken.
- There is general perception that day by day employees are becoming more self-centric and are engaged with advanced instruments like mobile, laptop, tablets etc. instead of engaging with work related matters. There is a need to study this phenomenon further. In view of this relevance, the present study was undertaken.
- Not many of the existing literature have addressed employee engagement in an Indian context. In view of these gaps in literature, the present study was undertaken.

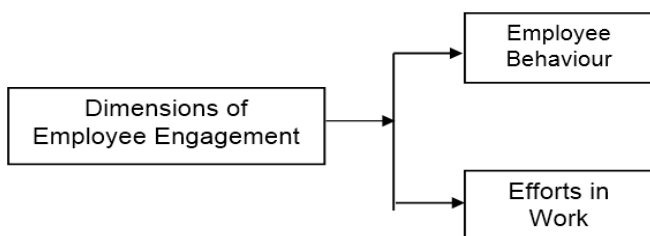
4. Objectives of the study

Keeping in mind the two related research questions of “Whether Employee Engagement through Permanent Employees is more effective?” and “Whether Employee Engagement through Outsourced Employees is more effective?”, the following were derived as the objectives of the study:

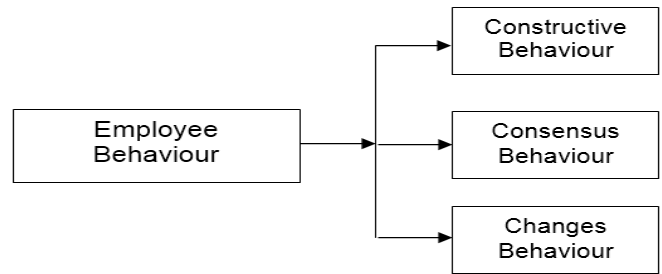
- To identify the Dimensions of Employee Engagement in work related activities.
- To find out the Degree of Employee Engagement in case of Permanent Employees.
- To identify the Degree of Employee Engagement in case of Outsourced Employees.
- To compare the permanent and outsourced employees in terms of employee engagement.
- Based on the study to list out the suggestions and recommendations.

5. Research Methodology

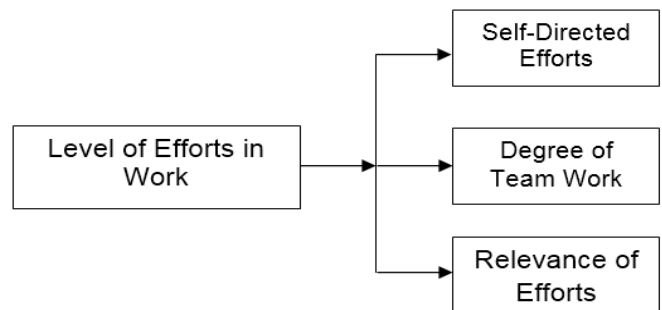
Because of the nature of the research questions and thereby the objectives involved, the methodology has two parts – first part aims at identifying the Dimensions of Employee Engagement in an Organization. Second part aims at collecting the data related to Degree of Employee Engagement through Permanent Employees and Degree of Employee Engagement through Outsourced Employees.



The dimensions of employee engagement is broadly classified into two categories such as; i) Employee Behaviour and ii) Efforts in work. The behavior of employee towards organization can be further classified into three categories such as; i) Constructive Behaviour ii) Consensus Behaviour and iii) Changes Behaviour.



The level of efforts in work can be further classified into three categories such as; i) Self-directed efforts ii) Degree of Team Work and iii) Relevance of Efforts.



The present study is based on a survey four organizations along with relevant secondary data which was collected in order to depict the present day context. The study compares and contrasts the behavior and levels of efforts of employee engagement between regular and outsourced employees working in the sample organizations.

The concurrence in these converted scores helped to identify Dimensions of Employee Engagement in an Organization. The data for the study was based on a survey four organizations along with relevant secondary data which was collected in order to depict the present day context. The study compares and contrasts the levels of employee engagement between regular and outsourced employees working in the sample organizations. The results revealed no significant difference in the level of employee engagement between regular and outsourced employees.

6. Results and Analysis

Semi-structured interview responses with respect to comparison of effectiveness of employee engagement through permanent employees and outsourced employees were collated in terms of number of responses. Table -1 represents the details about means levels of employee engagement.

This was observed that the mean value of degree of constructive behavior was more in case of outsourced employees, the mean value of Degree of Concern for the Organizations and Adapting to Changes also were more in

case of outsourced employees comparable to regular employees. Whereas, the mean value of Degree of Self-Directed Efforts is more in case of outsourced employees but the Degree of Teamwork and Relevance of Efforts resulted mean values are more in case of regular employees. The results indicated that the regular employees and their performance are effective while individual achievements are considered.

Table-2 showed the Summary of t-test Results of Regular Employee Vs Outsourced Employee where the numbers of responses were 40. The mean value of regular employees was 30.56, standard deviation 5.17 and mean value of outsourced employees was 34.20, standard deviation 11.12. The t-value was

-0.436 that indicated the results revealed no significant difference in the level of employee engagement between regular and outsourced employees.

Thus, it is clear from the results that irrespective of the nature of employment, the employee engagement is more of a personal phenomenon connected with internal mental processes of an individual in the form of attitudes and perceptions, and resultant choice patterns.

Table 1: Mean levels of employee engagement

Sl. No.	Dimensions	Mean Employee Engagement Score	
		Permanent Employees	Outsourced Employees
1	Degree of Constructive Behaviour	5.12	5.32
2	Degree of Concern for the Organizations	4.70	5.09
3	Adapting to Changes	5.20	5.45
4	Degree of Self-Directed Efforts	5.01	5.09
5	Degree of Teamwork	5.32	4.98
6	Relevance of Efforts	5.10	4.88
7	Total Employee Engagement	30.56	34.20

Table 2: Summary of t-test results of permanent employee vs outsourced employee (N=40)

Category	Mean	SD	df	t-value
Permanent Employees	30.56	5.17	39	-0.436
Outsourced Employees	34.20	11.12	39	

7. Conclusions

The phenomenon of employee engagement plays great roles to perform various HR sub-functions in an organization. The levels of efforts in work are more important to understand and implement among various Dimensions of Employee Engagement. Because whatever the employee behavior, putting right effort in work at right time is important.

There is no significant difference in the level of employee engagement between regular and outsourced employees because if an employee carries positive behavior towards work and putting maximum effort then it ensures better employee engagement that does not matter the person is a regular or outsourced employee.

8. Suggestions and Recommendations

Based on the study, the following were listed as suggestions and recommendations.

(a) Suggestions

- The same study can be replicated to a larger population to get perspectives from different view-points.
- An “Action Research” based study may be undertaken to arrive at the hidden patterns with respect to the finer aspects of employee engagement.

(b) Recommendations

- The companies need to frequently communicate with the employees about the need for change so that better employee engagement would result.
- Employees need to be aware of their existing attitudes towards job so that any meaningful employee engagement initiatives may be undertaken.
- Since negative emotions spread fast, employers need to be aware of the probable negative emotions prevailing at the workplace in order to improve the existing levels of employee engagement.

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