



Impact of Socio-economic factors on Employee Engagement

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Abstract: *Employee engagement is a key variable where a state of emotional and intellectual involvement between the employees and the organization which brings them closer. The various studies have been conducted on the different demographic factors that influence employee engagement in different industries. This study focuses on the impact of demographic variables on employee engagement among employees working in pharmaceutical sector in Gujarat. The study includes 400 Medical Representative from pharmaceutical companies in Gujarat State.*

Keywords: *Employee engagement, Demographic factors.*

I. INTRODUCTION

Employee engagement is a feeling of positive emotions by employees toward their work, find their work to be personally meaningful, consider their workload to be manageable, and have hope about the future of their work (Nelson and Simmons, 2003). To become fully engaged is to be involved in and enthusiastic about the work (P. Falcone, 2006). High level of engagement in domestic and global firms is supposed to have multiple enriching effects on an organization. Studies have highlighted the importance of both organizational and individual factors in ensuring highly engaged employees. (Naval Garg, 2014) In this era of globalization, every organization contains of work place spreading all over the world includes different culture, different personality, diverse age and experience, multiple objectives and needs. Thus today's organization requires different access to training and career opportunities, work/life balance and empowerment to foster a culture of engagement. Highly engaged employees demonstrate higher levels of performance, commitment and loyalty in comparison with disengaged employees. As all organizations strongly focus on performance, employee engagement has become a popular topic. The present study tends to focus on individual or personal elements of employee engagement, so that these factors could be grasped to develop a loyal and committed team.

II. BREAK GROUND NOTES

A large no of previous research shows the linkage between engagement level with individual differences. Researchers have claimed that employee engagement is dependent on both organizational and individual factors.

Kahn (1990) argued that psychological differences may have a decisive impact on individuals' capability to engage or disengage in their role performance. Individual experience, age etc. may shape an employee's ability and willingness to be involved and committed at work. People get engage differently at work place depending upon their experiences of psychological meaningfulness, safety and availability in specific situations. Naval Garg, (2014). Moreover, it is argued that individual differences play a vital role in determining an employee's potential level of engagement (Robinson 2006). According to Gallup research into demographics and engagement, factors such as age, generation, gender, education level and tenure all relate to a worker's engagement, as do an employee's job category and industry. Understanding this can make it easier for managers to put people where their engagement has the most potential to flourish.

Gender differences have also been found, such that men experience enrichment from work to family, while women experience depletion from work to family. While women experience enrichment from family to work, men experience no links from family to work (Rothbard 1999). Furthermore, Gallup's US research concluded that women tend to find more fulfillments in their jobs and are more engaged than men are (Johnson 2004). Kapoor and Anthony (2013) concluded that male employees of manufacturing are relatively highly engaged with workplace than female employees of same sector. Service sector hailed with higher female engagement than male employees (Naval Garg 2014). Recent research by Human Capital institute and Achievers stated that Men are more likely to be engaged in the workplace than women. They designed a survey to find out more about the factors that correspond with high employee engagement. And the results indicate that today's most engaged employees are males, age 50 or older, who hold senior-level positions and have been with an organization for at least 15 years.

Another important factor is age of the employees which is considered as influencing factor on employee engagement. Milner et al. (2011) explored employee engagement in five groups of employees categorized on the basis of age. The study examined differences in employee engagement among groups as: emerging adults (less than 24 yrs), settling-in adults (25-39), prime-working years (40-54), approaching retirement (55-65), and retirement eligible (66 and older). They found that employee engagement keeps on increasing with age of the employee. Overall, the retirement eligible group reported the highest average engagement while the emerging adults reported the lowest average engagement. However, other factors are also important to



consider like supervisor support and recognition, schedule satisfaction (flexibility and autonomy in one's work schedule), and job clarity etc. (Naval Garg 2014). Specifically, supervisor support and recognition had the largest effect on employee engagement for the two older groups, approaching retirement and retirement-eligible. While career development and promotions was also a significant predictor of engagement, for all age groups except the retirement-eligible people. This job quality factor was most important for engagement among the two youngest groups of employees, the emerging and the settling-in adults. But on contrary to Milner et al. (2011), Wilson (2009) concluded that there is no significant difference in engagement level among employees of different ages. On the same note Swaminathan and Ananth (2009) concluded that no correlation exists between age of the employees and employee engagement.

If we are considering education qualification as one of the most important factors to influence on level of employee engagement; we found mixture review from the research. Swaminathan and Ananth (2011) stated that a graduate employee is equally engaged with the organisation as an employee with Post graduate or any other professional degree. But survey conducted by Dale Carneige Training found graduate employees to be most engaged followed by post graduate and under graduate being least engaged.

Another personal factor like employees 'experience with the present organization is also supposed to impact employees' engagement. It has also been found that the longer employees stay with an organization, the less engaged they become (Ferguson, 2007; Truss et al., 2006). In other words the experience and engagement are found to have inverse relationship with each other. Swaminathan and Ananth (2011) also supported difference based on experience of the employee.

Marital status is also one of the factors that influence on employee engagement. Gallup's research observed a significant difference between employees who are single and those who are married. It was found that married employees have a higher level of engagement than the employees who are single. This reflects that employee settled in both professional and personal life tends to be more engaged with the work. Truss et al. (2006) elaborated that the differences in health and personal values might have an impact on employee engagement level. There are differences in value as some people 'work to live', while others 'live to work'. Differences of skills, ability and dispositional variables are also expected to impact levels of employee engagement.

III. OBJECTIVES AND METHODOLOGY

The main objective of the research has been to explore the impact of demographic factors on employee engagement. The incidental objectives were as follows:

To study the differentiation for engagement level among employees of different gender, age, marital status, experience and educational qualifications.

To achieve this objective, researcher has tested the proposed theoretical framework using data collected from Pharma companies across Gujarat. About 400 Medical Representatives have participated which include very few females constitute only 8.8% of total participants. So the researcher did not check the differentiation for engagement level based on gender. Other hypotheses were developed based on the study as follows:

H1: There is a no significant difference for employee engagement level among different age group employees.

H2: There is no significant relationship between employees' length of service within the organization and level of employee engagement.

H3: There is no significant relationship between employees' education and level of employee engagement.

H4: Employees of different job categories do not perceive different level of employee engagement.

H5: There is no significant relationship between employee's marital status and level of employee engagement.

IV. RESULT AND DISCUSSION

ANOVA:

To study the individual indifferences ANOVA test was used.

1. Employee Engagement – Various Age Groups

Table 1 showed the result of ANOVA test performed to check the differentiation in engagement level among employees of different age groups. By analyzing it; we could conclude that There was a statistically significant difference between groups as determined by one way ANOVA ($F(3,396) = 504.1, p = .00$). Further a Tukey post hoc test revealed that there was no statistically significant difference between the age group of below 40 years and above 50 years ($p = .958$)

So we accepted the hypothesis that there was a differentiation in engagement level among employees of different age group.

2. Employee Engagement – Length of service:

Table 2 showed the result of ANOVA test performed to check the differentiation in engagement level among employees of different length of service. By analyzing it; we could conclude that There was a statistically significant difference between groups as determined by one way ANOVA ($F(4,395) = 491.7, p = .00$).



So we accepted the hypothesis that there was a differentiation in engagement level among employees of different length of service.

3. Employee Engagement – Education Level:

Table 3 showed the result of ANOVA test performed to check the differentiation in engagement level among employees having different education level. By analyzing it; we could conclude that There was a statistically significant difference between groups as determined by one way ANOVA ($F(2,397) = 124.1, p = .00$).

So we accepted the hypothesis that there was a differentiation in engagement level among employees having different education.

4. Employee Engagement – Job Category:

Table 4 showed the result of ANOVA test performed to check the differentiation in engagement level among employees working in different job category. By analyzing it; we could conclude that There was a statistically significant difference between groups as determined by one way ANOVA ($F(2,397) = 10.2, p = .00$).

So we accepted the hypothesis that there was a differentiation in engagement level among employees working in different job category.

T-Test:

5. Employee engagement – Marital Status:

Independent sample T test was performed to study the differentiation in engagement level according to marital status of the employees. The result was shown in table 5

By analyzing the table 5, we could conclude that there was a statistically significant difference between married and unmarried employees for engagement level. ($p = .01, .02$).

So we accepted the hypothesis that there was a differentiation in engagement level among employees according to their marital status.

V. CONCLUSION

The primary theoretical contribution of this research is providing a better understanding of the employee engagement. Through literature review it has been found that demographic and/or social characteristics have their own impact on level of employee engagement viz age, gender, marital status, experience or education level. Based on the theoretical background and literature review hypothesis have been developed and tested using various statistical tests like one way ANOVA and Independent T-test. Through analysis of the result, all the hypothesis have been proved and it has been found out that there was a differentiation in engagement level among employees having different demographic/social characteristics. If the employer able to understand impact of different demographic characteristics of employees on engagement level; he/she could be able to retain the employees in the organization and also the attrition rate could be lower down.

VI. LIMITATIONS AND DIRECTIONS FOR FUTURE RESEARCH

The researchers admit that the study has several limitations. Firstly, the research was carried out in Pharma sector within Gujarat. We collected data from employee and the single source lead to common discrepancy undoubtedly, so multi-source of data should be gathered in future research.

Future researcher could dedicate on elaborating differences based on individual paradigms. Further other modes of individual differences like income, personality type, perception, urban/rural or other geographical background could also explored in this regard.

Table 1: Employee engagement – Various Age group

ANOVA					
E_mean					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	58.253	3	19.418	504.142	.000
Within Groups	15.252	396	.039		
Total	73.506	399			

Post Hoc test:

Multiple Comparisons



Dependent Variable: E_mean						
Tukey HSD						
(I) Age	(J) Age	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Below 30 Years	31 To 40 Years	-.03140	.02116	.448	-.0860	.0232
	41 To 50 Years	-1.28940*	.03490	.000	-1.3794	-1.1994
	Above 50 Years	-.03385	.06734	.958	-.2076	.1399
31 To 40 Years	Below 30 Years	.03140	.02116	.448	-.0232	.0860
	41 To 50 Years	-1.25800*	.03399	.000	-1.3457	-1.1703
	Above 50 Years	-.00244	.06687	1.000	-.1750	.1701
41 To 50 Years	Below 30 Years	1.28940*	.03490	.000	1.1994	1.3794
	31 To 40 Years	1.25800*	.03399	.000	1.1703	1.3457
	Above 50 Years	1.25556*	.07241	.000	1.0688	1.4424
Above 50 Years	Below 30 Years	.03385	.06734	.958	-.1399	.2076
	31 To 40 Years	.00244	.06687	1.000	-.1701	.1750
	41 To 50 Years	-1.25556*	.07241	.000	-1.4424	-1.0688

*. The mean difference is significant at the 0.05 level.

Table 2: Employee engagement – Length of service

ANOVA					
E_mean					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	61.213	4	15.303	491.722	.000
Within Groups	12.293	395	.031		
Total	73.506	399			

Table 3: Employee engagement – Education Level

ANOVA					
E_mean					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	28.282	2	14.141	124.141	.000
Within Groups	45.223	397	.114		
Total	73.506	399			

Table 4: Employee engagement – Job category

ANOVA					
E_mean					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	3.600	2	1.800	10.221	.000
Within Groups	69.906	397	.176		
Total	73.506	399			

Table 5: Employee engagement – Marital Status

		t-test for Equality of Means						
		t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
							Lower	Upper
E_mean	Equal variances assumed	2.566	398	.011	.11239	.04380	.02628	.19849
	Equal variances not assumed	3.111	313.813	.002	.11239	.03613	.04131	.18346

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