

# **Frontline Engagement and Human Resources Administration**

*An investigation into the effect upon frontline employee engagement  
levels when HR administration is outsourced or retained in-house*

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Master of Arts in Human Resource Management

National College of Ireland

Submitted to the National College of Ireland August 2018

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## **Acknowledgements**

This has been a challenging, stimulating and inspiring experience. I am extremely grateful for all the support and help I received as I completed this dissertation.

My thanks go to my wonderful supervisor: Pauline Kelly-Phelan, for her advice and guidance, warm support, incredible knowledge, patience, serenity and understanding.

A big thank you to Mr Jonathon Lambert and Mr Keith Brittle who were subject to “walk-ins” from me on numerous occasions. They never failed to help me through the statistical analysis procedure and referencing etiquette.

I would like to specially thank Des and Gerry, for their constant support and love throughout this challenging year. I love you both, more than you could ever imagine. Your support and encouragement fortified my spirit.

I must also give thanks to my three sons, their confidence and belief in me gave me sustenance through long days. Their motto “never give up, never give in” inspired me to keep going.

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## **List of Abbreviations**

JE	Job Engagement
OE	Organisation Engagement
HRO	Human Resource Outsourcing
HR	Human Resources
BPO	Business Process Outsourcing
SPSS	Statistical Package for the Social Sciences
POS	Perceived Organisational Support
PSS	Perceived Supervisor Support
OCBO	Organisational Citizenship Behaviour (Organisational)
OCBI	Organisational Citizenship Behaviour (Individual)
CEO	Chief Executive Officer
RFP	Request for Proposal

## List of Definitions

The term “outsourcing” will refer to the contracting out of human resource administration tasks with an external outsource provider and the set-up of a self-service module for HR activity (such as payroll or recruitment) for a parent company (Lilly, et al., 2005).

The term “shared services centre”, will refer to the location where the outsource provider is executing the administrative duties.

The term “in-house” will refer to the company who retains an HR Operations and administration team within their organisation.

The term “self-service” will refer to the technology system supplied by an outsource provider for use by the employees’ in the company who outsource their HR administration.

“Customer Gap “the difference between customer expectations and perceptions” (Zeithaml, et al., 2009, p. 32).

Front-line employees “those employees who interact with customers directly” (Mathies & Burford, 2011).

Service Performance Gap “the difference between customer-driven standards and actual performance by frontline employees” (Zeithaml, et al., 2009, p. 38).

Service quality “customer’s assessment or perception of how well a service is delivered or performed” (Chinomona & Sandad, 2013).

## **Abstract**

Employee engagement is a prime area of concern to employers as it determines job performance, commitment to the organisation and the retention levels of their employees. This study hypothesises that frontline employees that work for an organisation who have retained their HR administration functions in-house have higher levels of engagement compared to frontline employees whose organisation have outsourced their HR administration function.

The research is of a quantifiable nature and entailed the self-administration of a survey to the employees of two transport companies in Ireland. 150 participants from each company were invited to take part in the study, with 100 completed survey responses being utilised. The survey for researching these topics was sourced from Saks (2006) and was discovered through the medium of TRAP, (thesis reports and projects), National College of Ireland. A cross-sectional study was conducted and responses were gathered using non-probability sampling. Results of the current study contribute to understanding the effect on employee engagement of frontline employees when their HR administration is either outsourced to a service provider or retained in-house.

The results indicate that the majority of employees show high levels of engagement in both companies that were selected for this study, however, the level of engagement was greater in the company that retained their HR administration in-house.

Keywords: engagement, job satisfaction, job demands-resources theory, social exchange theory, burnout and happiness at work.

# **1. Introduction**

## **Title**

The working title of this research is: An investigation into the effect upon frontline employee engagement levels when HR administration is outsourced or retained in-house

## **Rationale**

The rationale for this research is to discover if there is a difference in the level of job engagement and organisational engagement for those frontline employees' who experience outsourced HR administration or those who experience HR administration retained in-house. The literature that exists currently regarding an outsourced partnership appears to take the relationship and by default the service and satisfaction of the frontline employees', for granted (Braun, et al., 2011). The degree to which the outsourcing of HR administration effects frontline employees' is varied by the circumstances of coalescence when the partnership is formed.

However, when frontline employee members are impacted by this change, it can lead to dissatisfaction, cynicism and a drop in the service level offering by incumbent employees' (Yanamandram & White, 2012). The "quality of partnership" varies greatly based on trust, power, communication and business understanding, according to Bachmann & Kroeger (2017). Therefore, understanding the impact on the engagement of the employees within the company may assist in identifying areas of strength and weakness, areas for

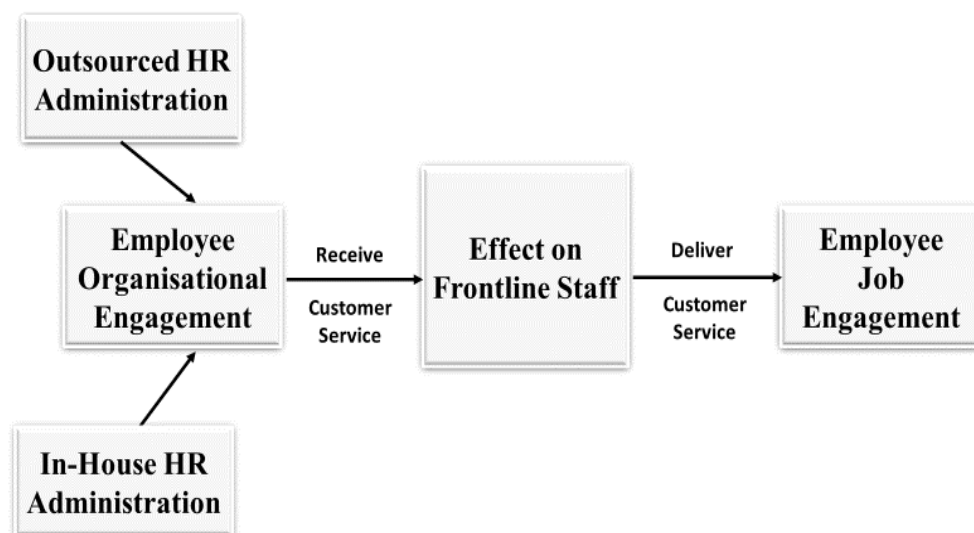
improvement and overall benefits for companies who choose to outsource or retain their HR administration (Abdul-Halim, Ramayah & Ahmad, (2014).

## **The Justification for the Research**

Human Resources (HR) began life as Personnel Administration, an administrative function that hired and paid frontline employees on an ongoing basis, recorded personal details and updated records in order that companies remain compliant for regulatory purposes. Increasingly, human resource management became involved in the strategic management decision making within the company. This prompted the need to concentrate on the core strategic issues within the organisation in order to improve services for the frontline employees of the company (Shih & Chiang, 2011). Where this occurred, some organisations chose to outsource their human resource administration, in order to reduce their functional workload and gain greater freedom and concentration on the core stratagems of the company.

Research has demonstrated that 93% of HR departments have outsourced a portion of their work (Greer, et al., 1999; Gurchiek, 2005), however, contemporary research has discovered that numerous outsourcing contracts have ended with either an alternate provider being chosen or the parent company bringing the work back in-house. This has been described as ‘back sourcing’ according to Whiten, Chakrabarty & Wakefield (2010). On the other hand, both Konovsky & Pugh (1994) and Shore & Wayne (1993) have suggested that within an HR administration service offering, positive activities by employers that result in advantageous results for the employees, ensure quality mutual

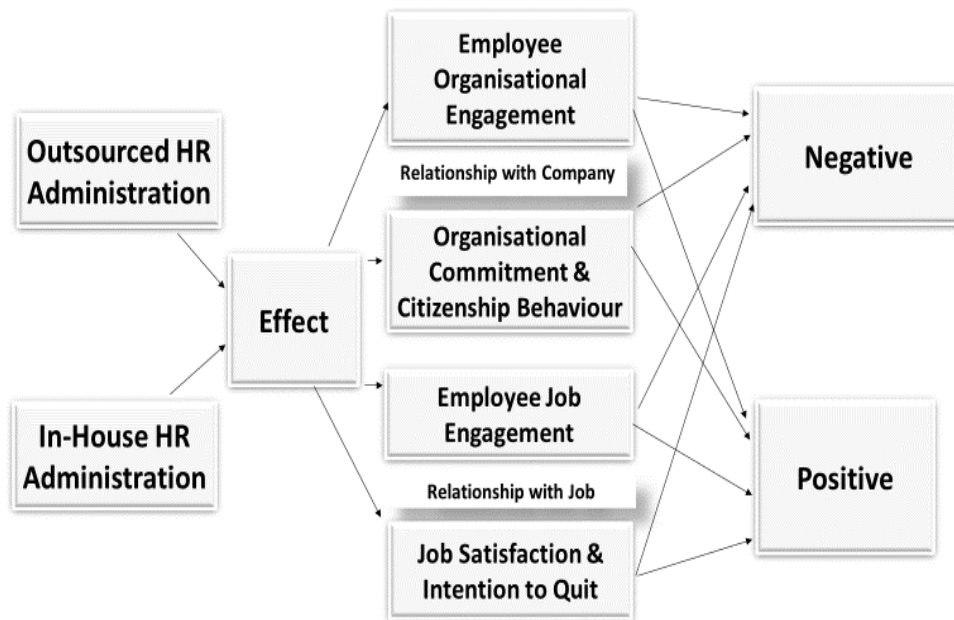
exchanges, superior employee relations and help to support employee engagement. Employee engagement, a modernised form of job satisfaction has been described as an employee’s involvement with their job, commitment to the organisation and their satisfaction with their work (Harter, et al., 2002). This espouses the classic concepts of job satisfaction (Smith, et al., 1969) and organisational commitment (Meyer & Allen, 1991). The association between these two constructs is important for organisations as they affect individual performance, team performance, retention of talent and customer service. Sonnetag, Dorman and Demerouti (2010) state that the level of work engagement may vary from employee to employee and from one day to another in response to specific situations or conditions and the employees own personal expectations. Bakker (2014) concurs with this and states that studies have shown that this occurs as a result of change and fluctuation of personal resources on a daily basis.



**Figure 1: Conceptual Framework**

A perceived deficit in the quality of the service offering by the HR administration provider can lead frontline employees to reduce their own service offering to external customers, (Figure 1). At its worst, a perceived deficit in the quality of the service offering by the HR administration provider, can diminish engagement in the workplace and contribute to feelings of distrust, burnout and cynicism (Maslach & Leiter, 1999).

There are various categories of Human Resources administration outsourcing (HRO). However, in this study, the researcher will be concentrating on two companies within the transport sector in Ireland. The first company has chosen to outsource their full suite of HR administration, including payroll and recruitment while retaining an HR operations team in-house. The second company has maintained the administration of HR in-house.

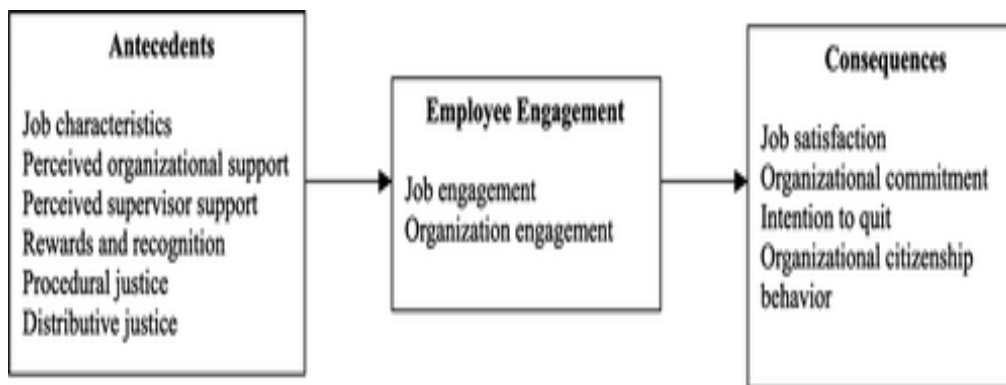


**Figure 2: Theoretical Framework**

Within the framework, shown in Figure 2, the researcher proposes to analyse the following factors:

1. Employee organisational engagement (relationship with the company)
2. Employee job engagement (relationship with the role)

This will be achieved through the use of a survey taken from an academic journal “Antecedents and Consequences of Employee Engagement” by Alan Saks (2006). The contents of this survey can be found in Appendix 5. Permission to use the employee engagement scale items was sought and granted by Professor Saks, (Appendix 4).



**Figure 3: A model of the antecedents and consequences of employee engagement (Saks, 2006).**

Saks offers the antecedents, mediators and consequences used in the survey as the independent variables, the mediators and the dependent variables. Saks perspective is that employee engagement can be measured by two different but comparable concepts; job engagement and organisational engagement. Job engagement is the relationship that the employee has with their role within the company, organisational engagement is the relationship that the employee has



with the company, both of which heighten psychological safety for the employee.

According to Kahn (1990), psychological safety within the work environment depends on the group, the organisational norms and the generally accepted ways of working. The outsourcing of HR administration can change the dynamics and by default the ways of working. This can result in energy depletion, a reduction of 'in-role' investment by employees leading to reduced engagement in the company.

## **2. Aims and Objectives**

### **Research Aim**

As mentioned in the previous section, this research examines two companies, one in which, the administration of HR remains in-house (control group) and one who has chosen to outsource their full suite of HR administration while retaining an HR operations team in-house (experimental group). Both companies operate in the transportation sector. The employee population of both companies is over five thousand individuals and, in each company, over 50% of the employees are frontline employees<sup>7</sup>.

Based on the theoretical and applied research literature, the following working hypothesis was developed: Employee engagement levels of staff in companies that have chosen to maintain the administration of HR functions in-house is greater than in those companies that have chosen to outsource the HR administration function.

Frontline employees were chosen as the focus of this study as they operate in a highly pressurised environment, they must demonstrate positive behaviour in their interaction with customers and possess empathy and communication skills. They must show attentiveness to customer needs, have knowledge of the product and display patience and understanding in the face of adverse situations. Therefore, when interacting, requesting and accessing the provision of HR administration or an outsourced HR provider, they expect equal treatment, respect and diligence to be afforded to them.

Hatfield, Cacipoppo & Rapson (1993) and Pugh (2001) have suggested that those organisations who train frontline employees in customer service expect optimistic, cheerful and friendly interactions with customers. These serve to guide the behaviour, interactional and interpersonal performance of the frontline employee (Diefendorff & Gosserand, 2003). Inevitably, there will be occasions when the internal feelings of the employee, do not match the expected or desired behaviour of the company and emotional labour is required to fulfil the expectations (Grandey, 2000). This expressing of behaviours or emotions that are in contradiction to how one feels ones' personal beliefs, can cause a state of intellectual conflict within the individual (Chen, et al., 2012). If the perception of the frontline employee is that their HR administration service is inadequate, it can affect their job engagement and their engagement with the organisation. Analysis of the survey conducted (Saks, 2006), will reveal if the engagement of frontline employees is significantly higher, where outsourcing has occurred or where HR administration has been retained in-house.

The issues identified have been developed into two hypotheses, which will be validated by our study:

H<sub>0</sub>: Employee engagement for frontline employees whose HR administration is retained in-house is less than or equal to the level of employee engagement for frontline employees whose HR administration has been outsourced.

H<sub>a</sub>: Employee engagement for frontline employees whose HR administration is retained in-house is greater than for frontline employees whose HR administration has been outsourced.

## **Research Objective**

To explore the underlying factors that affect employee engagement and satisfaction of frontline employees' when HR administration is outsourced or retained in-house.

### **Sub-objective:**

1. To discover what effect the following factors, have on levels of job engagement; job satisfaction, organisational commitment, intention to quit and organisational citizenship
2. To explore the effect of the following factors on levels of organisation engagement; job characteristics, rewards and recognition, distributive justice, procedural justice, perceived organisational support and perceived supervisor support.
3. To offer recommendations on engagement that could be implemented by organisations to raise the level of employee engagement.

## **The Significance of the Study**

The driver for this research is to conduct a study that would discover the drivers and deterrents that affect employee engagement in circumstances where HR administration has been outsourced or retained in-house. This study focusses on frontline employees, as they must provide customer service in their role and expect to receive customer service from their HR provider. The results should help to identify where enhancements can be made in order to increase the engagement levels of the employees.

### **3. Literature review**

#### **The Role of the In-house HR function and HR outsourcing**

The human resources department is a vital element of any organisation and is a critical component of employee well-being and engagement. The human resources department works to create a safe place of work, resolves employee disputes when necessary and strives in the best interest of both the employees and the company (Anca-Ioana, 2013). It is the support system responsible for sourcing personnel, recruiting, hiring, developing and retaining human capital within the company. They may also be accountable for employee relations, training, compensation and benefits and transformation. HR also functions as an enabler of change and where companies have moved from industrial based entities to knowledge-based entities, the company's commitment to their human capital has an effect on the employees' overall perception of the change (Chang, 2005).

Outsourcing of HR administration is defined as the obtaining of services or products that were originally produced or accomplished in-house within an organisation, now being performed by an external supplier or outsource provider (Ellram & Billington, 2001; McIvor, 2005). It is also regarded as the establishment of a relationship with an external partner within a contractual arrangement (Mello, 2002). In the modern business world, organisations wish to retain core competencies in-house and contract out those activities that do not add value or are administrative in nature (Handfield, 2006). The motivation for greater efficiencies and cost reduction has driven many organisations to outsource their products, activities and services, both locally and offshore

(Abramovsky, Griffith & Sako (2004). While most firms consider outsourcing as a strategic tool for reducing costs (Jiang, et al., 2006) or a method to increase market value (Jiang, et al., 2007) only a small number of organisations view it as a transformational strategy or change management (Linder, 2004).

Outsourcing of services, such as HR administration can include the handover of some or all administration to an outside company while retaining some HR activities in-house. To focus on core business, many companies integrate electronic means into their processes, however, basic and repetitive administrative processes may be outsourced to specialised firms that can perform these activities, faster, better and more efficiently. When the choice to outsource is made, a company must consider provider choice and selection, contract arrangement and transference of assets to suppliers (McIvor, et al., 2009). As the prevalence of outsource companies grow, many established organisations are opting to transfer entire departments or functions; such as IT, Finance and Human Resource administration to these outsource service providers, this has been described as “unbundling the corporation” by Hagel III and Singer (1999).

Outsourcing was first identified as a business strategy in 1989 and the outsourcing of support services followed throughout the 1990s (Mullin, 1996, p. 29). From this, human resources outsourcing (HRO) evolved from a means of cutting costs to a subtler strategy of partnership and social exchange with an outsource provider. This evolved in order to offer HR administration and functionality to the incumbent employees within an organisation (Braun, et al., 2011). Many executives today are realising that selective outsourcing such as HRO, can result in the growth of a company’s ability to focus and provide better

service to their internal customer (frontline employees'). Many organisations who look to outsource their HR administration, do so for a specific business purpose to suit their business plan. It is common for organisations to outsource the most complicated tasks and processes. This type of professional service outsourcing is skill specific, e.g. information technology or finance and is availed of in order to reduce overhead costs (Lyons & Brennan, 2014).

Outsourcing of any kind is perceived as a major change within organisations. Currently, there are two main forms of outsourcing available, total or full outsourcing of functions and selective or particular function outsourcing. Total outsourcing occurs when every function or service within a department is outsourced. For the most part, exchange of over 80% of activity constitutes full outsourcing and is normally task or competency driven (Pahirathan, 2017). Selective outsourcing occurs when only selected functions within a department are outsourced (Cooke, et al., 2005). This type of outsourcing requires a lot of attention due to the nature of the contract and the interrelated dependencies of the companies. In some cases, where companies choose to transform their human resources administration and transition to an outsourcing partnership, it can result in a virtual relinquishment of the management function and interaction with the employees. The parent company manages the relationship between themselves and the outsource provider and the outsource provider is then the supplier of the HR service and manages the relationship between themselves and the frontline employees' (Mullin, 1996). This can affect the frontline employee's perception of their value and status in the company and in turn, may impact the engagement of the frontline employees with the company (Pahirathan, 2017).

Success in HRO comes down to developing and strategically managing the complex internal and external relationships that form within the company when outsourcing of human resources administration has occurred. This includes the relationship between the outsource provider and the employees who avail of the service (Cooke, et al., 2005). Managing these relationships requires expertise and practical research in this area is scarce (Delmotte & Sels, 2008). For example; customer satisfaction (of the frontline employees' availing of the HRO service) is an area that is sometimes neglected when companies decide to outsource their HR administration (Mullin, 1996). The expectations of the employees may be contrary to the requirements of the parent company and the service delivery of the HRO provider. A study on change by Thornhill, Lewis, Millmore & Saunders (2000) suggests that strategic change such as the configuration of HR practices may cause tension and conflict between the parties as change is often viewed with cynicism by incumbent employees' (Thundiyl, et al., 2014). This cynicism can be mitigated where high levels of empathy are found within the culture of the outsource provider according to Abdul-Halim, Ee, Ramayah, & Ahmad (2014). Empathy and thoughtfulness on the part of an outsource provider creates trust in the service, by the frontline employees'. Together, these attributes negate conflict within the contract, the service relationship, and the relationship with employees (Abdul-Halim, et al., 2014).

Three types of conflict exist where outsourcing has occurred; commercial conflict, service conflict and relationship conflict (Lacity & Willcocks, 2017). Commercial conflicts are clashes over such things as pricing and profit margins for both the parent company and the outsource provider. Service conflicts are



clashes over the timing, excellence and delivery of service and the performance of the outsource provider pertaining to the service level agreement. Relationship conflicts are people issues and clashes occur where the two companies disagree about how each company's employees should act, behave, respond and serve. For example; should the parent company direct the employees of the outsource provider? or should the outsource provider direct its employees to act, behave, respond and serve, based on the culture of the parent company? (Kern & Willcocks, 2002). The corporate culture of the parent company is disturbed when an outsource provider enters into a contract. Therefore, the outsource provider must ensure that the service provided is based on the parent company culture. Thus, the relationship will be conceptualised as an extension and expansion of the parent company. Where this does not occur, conflict is inevitable, which may cause an impact on the service provided to the frontline employees' (Pahirathan, 2017).

## **The Role and Impact of the Outsource Provider**

Business Process Outsourcing (BPO) firms, who provide HR outsourcing services have gained momentum in the modern business landscape. Currently, there are two major types of HR outsourcing providers. The first of these is the shared services outsourced model. Handfield (2006) suggests that this model is where an external third party is paid to provide a service that was previously internal to the parent company and takes the form of a strategic partnership between two cooperating entities. This model came into being in the late 1980s and was first used in Eastman Kodak's decision to cut costs by as much as 50%

(Loh & Venkatraman, 1992). They achieved this by turning over the operation of their information technology to IBM. This model led the way for other organisations to outsource as they decided that it was not necessary or a core competency to own the technology to access the information required (Lacity & Hirschheim, 1994). Handfield (2006) suggests that this model is where the parent company facilitates a service centre that will handle all HR administration issues but retains an on-site presence in the form of an operations team.

The second type is the HR outsourced bureau service. Finn (1999) describes this as outsourcing specialist administrative activities such as recruitment and routine accountable administrative activities such as payroll and pension. Smith (2007) suggests that this type of process outsourcing is more common for troubleshooting within companies; such as help-desk assistance, applicant drug testing or security clearance. According to McCracken & McIvor (2013), the predominant perception of the outsourcing bureau service is a process driven, procedural model. External service providers of outsourcing bureau services can perform the same processes for several customers and achieve economies of scale, ultimately reducing the cost per unit (Delmotte & Sels, 2008).

There are a number of comparisons between an HR bureau service and an HR shared service offering, most apparent being the compensation element; the guarantee of payroll to each employee on time and correct. However, according to Henderson (1990), the shared services model includes the sharing of risks and benefits, the building of a relationship without a definitive end date and the need to establish and monitor the service quality of the operation. Whereas the bureau service works to a fixed contract and the inputs that are provided by the

parent company. This supports the underlying premise that the service quality offered and completed by the shared services outsource provider must be based on the key service attributes required by the parent company, together with their culture, behaviours and values in order to deliver customer satisfaction (Winkleman, et al., 1993). Lawler & Mohrman (2003) suggest that no definitive answer is available as to what makes some outsource HR providers more effective than others. They assert that in outsourcing transformations such as a shared services model, it is imperative for the success of the transition that the HR outsource provider is armed with adequate knowledge and information to perform the role and provide customer satisfaction to those who use their services (Lawler & Mohrman, 2003).

The customer satisfaction of the frontline employees' is a central area that is constantly overlooked and ignored in outsourcing contracts and this has a profound effect on engagement, commitment, job satisfaction and breeds resistance to change by frontline employees' (Mullin, 1996). The success of change within companies is generally evaluated in financial terms – known as hard measures (ratios, percentages and costs), however, soft measures should also be measured, such as opinion (customer satisfaction) perceptions (quality of service) and attitudes (receiving customer service and courtesy) (Reilly & Williams, 2016). If the frontline employees perceive shortcomings on the part of an outsource service provider, this leads to cynicism and distrust in the service (Imran, et al., 2016).

Leiter and Maslach (1988) noted that high levels of emotional exhaustion could also lead to high levels of cynicism, which, in turn, leads to diminished professional efficacy. In a service industry, where frontline employees' must

conform to display rules, emotional exhaustion can contribute to job dissatisfaction and in turn lead to a decline in employee engagement (Grandey, 2000). In contrast, trust engenders positive associations within the organisation and leads to pride in the role, engagement, improved performance, and connection to the organisation (Cui, Vertinsky and Robinson, (2018). Trust is defined as a state of being, comprising the ability to be vulnerable, yet with the expectation of positive meanings and intents of another (Rousseau, et al., 1998). Research has shown that there are three distinct concepts of trust, namely dispositional trust (individualistic); dyadic trust (interpersonal) and impersonal trust (institutional) (Mayer & Gavin, 2005). Dispositional trust is based on a personality-based predisposition to trust, which states that this trait is inborn or developed in adolescence and is constant throughout your life (Cui, et al., 2018). Dyadic trust is associated with interpersonal trust in working relationships and it is linked to a positive and encouraging working environment, it leads to benefits such as heightened performance, prosocial behaviour and job satisfaction, (Korsgaard, Brower and Lester (2015). However, in the workplace, the employee is required to trust and be trusted, making trust a reciprocal bi-directional exchange. This not a new phenomenon as this type of trust underpins social exchange theory (Schoenherr, et al., 2015) and is recognised as a form of interpersonal trust (Mayer, Davis and Schoorman, (1995). Impersonal trust is where relationships are not based on a trust in personal contact but rather mediated by a social organisation or structure (Vanhala, Puumalainen & Blomquist, (2011). Impersonal or institutional trust refers to trust in one's organisation and its management. Frontline employees' must trust in the capability, future vision, fair and structured processes and

commercial competence of the senior management (Atkinson & Butcher, 2003). In order to compare the trust relationship within the workplace and the job engagement of the frontline employees', we must consider that the manager/employee relationship is based on a vulnerability by the employee and acceptance of the influence that the manager may have over their role (Mayer & Gavin, 2005).

The suggestion is that, where there is a perceived lack of trust in management, the employee will become defensive or cognitively engage in non-productive issues, particularly actions that protect the self. Social exchange theory is manifest in this suggestion, as the employee will always seek to reduce disadvantages, protect what they have and maximise any personal benefits gained through the trust relationship (Sierra & McQuitty, 2005). For frontline employees who experience cognitive or emotional strain, or are subject to change, which is outside their control, it is not uncommon for them to experience health impairments, feel more cynicism and negativity towards their employer, communicate less trust and have lower job satisfaction expectations (Cooper, Nieberding and Wanek, (2013). Health impairments caused by a change in job demands can be defined as:

*“those physical, psychological, social, or organizational aspects of the job that require sustained physical and/or psychological (cognitive and emotional) effort or skills and are therefore associated with certain physiological and/or psychological costs”* (Bakkeram & Demerouti, 2007, p. 312).

The employee may feel disenfranchised, dissatisfied, cynical and disengaged, which could then lead to a decrease in the customer service level offered by those on the frontline. Oreg (2003) has been instrumental in our understanding of resistance to change and effects on employee performance. He states that it is the idiosyncrasies in our personalities, described as the dispositional orientation that produces a negative or positive reaction to change (Oreg, 2003; Oreg, et al., 2008). According to Oreg (2018), dispositional orientation comprises four factors:

1. *“seeking to maintain routine and remain in a perceived comfortable state*
2. *emotional response that elicits unease and worries, short-term response*
3. *unable to see the bigger picture, focusing on the inconvenience of change versus long-term benefits and;*
4. *inflexible reasoning, when cognitive rigidity prohibits an individual from altering their attitude or opinion”.*

According to Karatepe, Yavas & Babakus (2007), organisations who operate in the service industry understand that there is a correlation between the internal dialogue and interpersonal exchange with frontline employees and the delivery excellence and quality of service delivered to external customers.

Outsourcing of functions or roles affects the organisational climate of a company and can contribute to feelings of negativity regarding positive work encounters and job satisfaction for the employee (Hart & Cooper, 2001). A study by Davis, Savage & Stewart (2003), revealed that changes in organisation size and outsourcing of functions caused increased stress levels and changes to

the perception of job security for the workforce. These changes cause shifts in the level of the employee's organisational commitment and loyalty, as questions of fairness or justice related to procedural justice, processes and outcomes are questioned (Gilliland & Chan, 2001). Variances of HR practices if not standard across the company can also affect the employee's perception of fairness and justice and the employees may judge the activities of the company to be unfair (Chang, 2005). Similarly, psychological commitment to the company will be evaluated and measured by the employees when faced with HR administration outsourcing and this could have an effect upon the psychological contract enjoyed by both employee and employer (Schalk & Rousseau, 2001).

Employee engagement and job satisfaction are related and are barometers of the level of employee engagement within the company. Employee engagement is defined as employees 'willingness and ability to contribute to the company's success' (Madan, 2017). The act of ensuring that the employees feel that their needs are being met with regards to HR administration within the company, whether outsourced or in-house is paramount. By acknowledging the change for the employees and the outcome for those involved, the company can maintain satisfaction levels and even gain heightened employee engagement (Brooks, 2006).

## **Employee Engagement**

Employee engagement is a fundamental concept that was introduced by William A. Kahn (1990) back in the 1990's. Kahn can be considered the theoretical father of the "employee engagement" movement even though this term was not used specifically by him, his preferred term was "personal work engagement" (Welch, 2011). His ground-breaking research examined the view that employee engagement was about "how employees felt" at work as opposed to being "the right fit" or having "the right remuneration".

Research by Kahn (1990) aimed to demonstrate how work experiences, standard processes and the giving of "self" in the workplace can affect engagement, satisfaction and performance for employees. What Kahn (1990) called the "self-in-role" aspect, is described using the theatrical metaphor first suggested by sociologist; Erving Goffman in 1961 (Goffman, 1961). This is the stepping into and out of, a character role, where each employee plays a part giving variable amounts of their personal selves, emotions, body and spirit to their role in the workplace and these adjustments of the self are termed personal engagement and disengagement.

Khan (1990) defines personal engagement as the physical, cognitive and emotional presence of the employee in the course of their role in the workplace in conjunction with the linking of selves by employees to their role and their work performances. Personal disengagement is the disconnection of the self from the work role and the withdrawal of the physical, cognitive and emotional presence of the employee (Khan, 1990). These concepts are validated by Maslow's hierarchical needs table which states that people need expression,



belonging and to be able to reach their full potential in the workplace (Maslow, 1970).

Khan identified three psychological conditions that affect engagement and disengagement. They are psychological meaningfulness, psychological safety and psychological availability. Psychological meaningfulness in the workplace arises when an employee perceives a return on investment of the physical, cognitive or emotional energy expended in their role. Psychological safety is the sense that one can behave naturally and be themselves with no danger of negative consequences to their self-image, career or status within the workplace. Psychological availability refers to an individual possessing the physical, emotional or psychological resources to engage in certain situations (Khan, 1990). Khan acknowledged the limitations of his study and suggested future research in the area of how the three psychological conditions could be examined if they are merged successfully and the discovery of whether this may lead to disengagement or engagement in the workplace.

Employee organisational engagement is the degree to which employees feel passion for their job, how committed they are to the company and the discretionary effort that they may enact in their role. It is all about the relationship between the employee and the company (Bakker, 2014).

Employee job engagement, in comparison, is related to satisfaction with the job, co-workers, shift or schedule length, what you do, who you work for and where you work. It is all about the relationship between the employee and the job (Bakker, 2014)

For some employees, being satisfied only indicates how content or happy they are in their actual job, with their colleagues and with their level of responsibility

(Bakker & Albrecht, 2018). Disengaged employees collect their salary at the end of the month, they resist change, avoid accountability and operate with existing procedures. Those employees who are engaged, seek personal growth, embrace change and challenge current procedures in order for development and improvement (Berens, 2013).

One of the best definitions of engagement that this researcher found was:

*“an employee’s intellectual (head) and emotional (heart) connection with an employer, demonstrated by motivation and commitment (hands) to further the company vision and goals”* (Jaramillo, 2018).

Berens (2013), who discusses “the roots of employee engagement” suggests four aptitudes that form part of the foundation required to engage employees:

- 1.” *Connection: belonging to something greater than yourself,*
2. *Growth: being stretched and challenged in order to grow in a personal and professional way,*
3. *Autonomy: being empowered to do your very best and*
4. *Meaning: when your work has a purpose beyond the task itself”.*

According to (Kaufman, 2009), there is an association between employee engagement and increased levels of discretionary effort. Discretionary effort is defined as the area between the “have to do” and the “want to do” curve on a performance and time axis. Those employees who go above and beyond the level of effort required to deliver an activity or task are those who are most engaged, enthusiastic and optimistic. Those employees whose effort is only to get by or make do and are completing the minimum requirement needed to ensure that their performance is not observed as below standard, are most likely disengaged, disillusioned and not achieving their personal best. Disengaged

employees feel powerless to influence their environment, do not commit to the organisation, do not perform discretionary work and perceive that all change impacts negatively upon them (Valentin, 2014). Wollard (2011), builds on Kahn's description of disengagement and offers a suggestion that disengagement is measured on a continuum rather than be measured by engaged or disengaged individualities.

Organisations express commitment to their employees through job resources, such as job security, internal promotion opportunities and training and development. This demonstrates that the company has the best interest of both employee and employer at heart which motivates the employee to reciprocate the commitment (Chang, 2005). Karatepe, Yavas and Babakus (2007) suggest that the perception of the frontline employees to their inclusion, interaction and involvement in matters relating to their job resources and their job demands have a positive effect on employee engagement, satisfaction and commitment to the organisation. Significantly, the Job Demands-Resources Model (JD-R) suggests that every role has its own basis of employee wellbeing, classified into two categories; job demands and job resources, which can be applied to a myriad of role settings (Bakkeram & Demerouti, 2007).

It is now well established through this model, J-DR, that high job demands have an adverse effect on the mental and physical wellbeing of employees, whereas, increased levels of job resources encourage employee engagement, job engagement and discretionary effort. In fact, Bakkeram & Demerouti (2007) contend that job resources may cushion the effect of high job demands on any strain felt by the employee and increase motivation and job performance. When an organisation fails to recognise the human demands, needs and effort required

by frontline employees, the perception is one of being undervalued, feeling overloaded and ultimately burnout (Maslach & Leiter, 1999).

## **Employee Satisfaction**

In the management sciences, efforts to advance and improve employee's attitudes remain at the forefront of research.

*“Perhaps the central objective of modern labor management and personnel work can be said to be the heightening of morale or improving of workers' attitudes” (Kornhauser, 1930).*

As was true for Kornhauser, over seventy-five years ago, the proliferation of this concept is uppermost in the minds of all managers and organisations. Job satisfaction has been widely studied over many years, the prime reason being its role in the ability to predict the efficiency of employees (Wright, 2006).

Job satisfaction can be defined as an individual's fulfilment with their role. This includes their attitude to their role (Brief & Weiss, 2002), the degree that they are satisfied or dissatisfied with their role (Spector, 1997, p. 2) and the positive or negative judgement that they inherently make about their role (Judge, et al., 2017).

Frederick Herzberg, the psychologist, presented his two-factor theory to explain the difference between what merely satisfies an employee and what motivates them to go the extra mile and perform discretionary effort. What Herzberg calls “hygiene factors” are the basic needs of an employee; pay, tools to do the job, physical working conditions and job security. Whereas, “motivational factors”

are those factors that motivate employees to go above and beyond the work itself. These include a sense of belonging, personal and professional growth opportunities, autonomy and sense of meaning (Herzberg, 2008).



**Figure 4: Job Satisfaction Variables**

There are many common job satisfaction variables that have been used in the measurement of this research to date, however, in this study, we will reflect on job satisfaction in a global perspective (Spector, 1997, p. 3) and how it impacts employee organisation engagement, employee job engagement and commitment. All of the factors in Figure 4, relate to job satisfaction, in either a positive or negative manner (Bandura & Lyons, 2014). However, two of these factors are the most influential in front facing roles and are those with which managers have the most control. They are (a) autonomy; when frontline employees have the discretion to use their knowledge, skill and intuition in customer service situations and (b) supervisory feedback, when frontline

employees receive feedback on a regular basis and in a structured manner (Bandura & Lyons, 2014).

According to Osbourne (2015), while there is a myriad of facets that make up job satisfaction (Figure 4), the origin of job satisfaction is derived from the human motivations of giving, receiving and acquiring. This novel theoretical approach suggests that the outlook of the employee determines their satisfaction level and relies upon three perspectives that would denote this theory; reactive, active and proactive.

1. *Active – employee’s personal potential becomes functioning reality (giving)*
2. *Reactive – employee’s satisfaction is nourished and fed by outside influences, (receiving) and*
3. *Proactive – employee is adaptable and can initiate positive change (acquiring) (Osbourne, 2015).*

Frontline employees who interact with the customers on a daily basis, demonstrate some or all of these perspectives in the course of their labours. They are comparable to actors who tread the boards and follow a script. The nature of the role is accidental interactions with varying customers throughout the day, the performance of which is directed by the company through the delivery of display rules and prescribed expressions (Grandey, 2003). They are expected to be friendly, serve with a smile, be helpful and affect a positive attitude. To effect a positive attitude is not always possible as everyday life and family issues can interfere with their day and this leads the employee to perform their “act”. This act of expressing a positive attitude satisfies the company and

ensures a happy customer but can leave the employee stressed. The acting approach, surface acting (modifying facial expressions) and deep acting (modifying inner feelings) are two dramaturgical methods, usually prompted by the organisation at induction to the role. It is used to modify the feelings and behaviours of the employee when the true position, feelings or behaviours are not conducive to the emotional labour required for frontline service interaction (Humphrey, Ashforth & Diefendorff (2015). The effort it takes to deliver facial and bodily displays and to control one's feelings in the workplace is referred to as emotional labour or display rules (Grandey, et al., 2010). Display rules are defined as how an organisation expects an employee to act or feel, and emotional labour: the process of conforming to the display rules (Grandey, 2003).

The phrase "service with a smile" has been with us since the early 1900s and is synonymous with emotional labour. In the service industry, where frontline employees' have to care for others and display positivity and concern, regardless of circumstances, display rules play a big part in the way they are perceived by the customer. This acting out of one's emotions is beneficial for organisations. The meta-analysis carried out by (Humphrey, et al., 2015) reveals that deep acting raises the positivity levels in an individual, brightens the individual's outlook and has a positive effect on job engagement, whereas surface acting can increase stress levels due to the artificial nature of the action. Increased levels of acting have been associated with two features of a role; display rules and job dissatisfaction. Studies by (Grandey, 2003) have shown that there is an upsurge in surface acting when the employee is unhappy with their role. In contrast, deep acting (modifying inner feelings) was discovered to

have an authentic effect on the employee, resulting in a positive interaction with the customer and as a result, the employee achieves substantial job satisfaction. This result is supported by the Stanislavsky method of acting, which is a systematic system of acting, where the individual searches for inner motives to justify their action (Totterdell & Parkinson, 1999). According to Diefendorff, Richard & Croyle (2006), the need for emotional display behaviours in the work of frontline employees was rated higher as a requirement by those who were more satisfied and more involved in their role than less satisfied or less involved individuals.

A study by Xanthopoulou, Bakker, Heuven, Demerouti & Schaufeli (2008), has shown that the motivational process of the JD-R model, proves that an employee will increase their work engagement and self-efficacy beliefs if they are part of a supportive work environment. Also, social and colleague support is related to self-efficacy and performance levels. That is to say; those employees who are lucky enough to work in a supportive environment with social, colleague and HR support are more likely to state that they can complete tasks successfully as they believe they have sufficient resources to do so (Xanthopoulou, et al., 2008). Studies have shown that job demands and job resources have an impact on working conditions and employee's success in their role. Job resources such as team and task identity, social support (HR) and autonomy in the role. have a direct link with work engagement, performance and positive psychological results (Xanthopoulou, et al., 2008). The JD-R model states that job demands are relieved by the contribution of job resources which also contribute to employee's wellness within the company. Job resources when not only matched to the role but considered above average, engender motivation within the



employee and ensure outstanding performance and enhanced work engagement (Bakkeram & Demerouti, 2007).

### **The Job Demands-Resources Model**

The job demands-resources (JD-R) theory (Bakkeram & Demerouti, 2007) is one of the most cited theories used to describe work engagement. It proposes that it is not only the characteristics of the role that determine the well-being of the employee but also the personal resources that the employee avails of when faced with challenges within their role. Furthermore, it proposes that an employee can be proactive and seek resources and tasks that will assist in their development by asking for support, seeking feedback and utilising opportunities to upskill (Bakker & Albrecht, 2018).

While all job demands are not necessarily negative, the consequence of high demands that require constant high effort can result in emotional exhaustion or burnout for frontline employees who must invest themselves into “self-in-role” personas (Khan, 1990), when interacting with emotionally demanding customers (Bakker, Hakanen, Demerouti & Zanthopoulou, (2007). Previous studies by Burke, Greenglass & Schwarzer (1996) have demonstrated that those occupations, e.g. teachers and frontline employees’, who deal face to face with students or customers are most at risk of burnout and emotional exhaustion if they perceive that no social support is available to them. The investment of their “self-in-role” scenario and their personal emotional resources, can only endure as long as reciprocity is perceived to be received.

In (2008), Maslach & Leiter theorised burnout as a three-concept model:

*“(a) emotional exhaustion, (also known as burnout),*

*(b) cynicism (also known as depersonalization), and*

*(c) diminished professional efficacy (also known as lack of personal accomplishment)”.*

Up to recently, research has focussed on the polar opposite of these three concepts and labelled it “employee engagement”. Engagement, by the employee, can be defined as being involved, prosocial behaviour and personal fulfilment that enhances one’s professional efficacy (Maslach & Leiter, 2008, p. 498). The JD-R model proposes that high job demands lead – by means of burnout – to negative results (stress), while job resources lead – by means of work commitment – to positive results (motivation), (Demerouti, et al., 2001; Schaufeli & Bakker, 2004). (Demerouti, et al., 2001) define job demands and job resources in the following way:

*“Job demands refer to those physical, social, or organizational aspects of the job that require sustained physical or mental effort and are therefore associated with certain physiological and psychological costs (e.g., emotional exhaustion and burnout)”.*

*“Job resources refer to those physical, psychological, social, or organizational aspects of the job that may do any of the following: (a) be functional in achieving work goals; (b) reduce job demands at the associated physiological and psychological costs; (c) stimulate personal growth and development”.*

One way in which employees deal with job demands is to “craft their jobs” to suit the resources available to them. Wrzesniewski & Dutton (2001) formulated the term “job crafting” and their definition was:

*“the physical and cognitive changes individuals make in the task or relational boundaries of their work.”.*

Demerouti (2014) defined job crafting as enhancements that employees initiate in the level of their job demands and job resources. This is done to create additional substantive and engaging encounters and outcomes so as to increase the quality and satisfaction of their role.

The interaction, service offering and perceived value, that the employee receives from their HR administration team, whether outsourced or in-house can be counted as an intrinsic job resource (Babakus, Yavas & Karatepe (2008). It is one of the social supports that scaffold the working relationship between the employee and the company, alongside feeling valued and support from colleagues. Where the social exchange, interaction and mutuality of support is not apparent or beneficial, it can give rise to dissatisfaction and lowered contributions by the employees. In a worst-case scenario, it can lead to chronic cognitive fatigue, emotional overload and even burnout (Rudow, 1999). Negative or positive interaction will affect the service quality offered and by default, have an impact on employee engagement and ultimately on the customer service offering by the frontline employees’ (Harrison, 1996). According to Deci, Koestner & Ryan (2001), self-determination theory suggests that occupational contexts that are active in social support such as autonomy, personal competencies and affiliation, augment happiness at work and increase intrinsic motivation (Ryan & Frederick, 1997).

Human factors play a substantial role in ensuring that frontline employees' have continued buy-in and commitment to the HRO outsource provider. Where frontline employees are in direct contact with the organisation's customers and the requirement is superior customer service, it is essential that they receive the same standard of service and quality from any interaction with HRO providers (Saatchian, et al., 2012).

### **Social Exchange Theory**

There is a relatively small body of literature concerned with the impact of HRO, the dispositional orientation of change on employees' and the perceptions of the service provided by HRO to frontline employees' (Reichel & Lazarova, 2013). When applied to a business or workplace, the social exchange theory is one of the most significant theoretical models relating to organisational behaviour. Social exchange theory is rooted in an exchange process and when the risks and rewards are worth the effort, it works. On the flip side, when the social experience between two parties is negative, where the benefits do not outweigh the costs, the relationship deteriorates and, in some cases, ceases altogether. It has previously been observed that an equal exchange of benefits is desirable and where there is perceived inequality in benefits, the relationship will be in jeopardy (Lambe, Wittmann & Spekman, (2001). Due to its focus on the relationship between advantages and disadvantages for the self, the social exchange theory is used to identify what success looks like and the factors that may affect frontline employee engagement (Schoenherr, Narayanan & Narashimhan, (2015).

The foundation of the social exchange theory supports in the understanding of social exchanges between two parties. It generally theorises interaction between people as a series of social exchanges that assist in maximising reward and minimising cost to that relationship (Huang, et al., 2016). It suggests that we form relationships if they are rewarding, and commit to that relationship if the outcome is profitable (Holladay & Carroll, 2010). A study by Mearns, Hope, Ford and Tetrick (2010) on the social exchange theory serves to explain that through a series of social interactions, obligations are generated and parties find themselves in a state of reciprocal interdependence. It purports that engagement is a two-way relationship and that when employees are in receipt of economic and socioemotional resources from their employer, they feel gratified and look for a way to respond in kind. The greater the resources, cognitive, emotional or physical, that are received, the greater the dedication to that relationship from the employees. If these resources are lacking, particularly in the HR administration relationship, then the employees are likely to withdraw and disengage. At a very basic level, employees respond to how they believe or perceive they are treated by their employer (Mearns, et al., 2010).

## **Rationale**

The rationale for this research is to enhance the existing knowledge about the impact on the engagement of frontline employees' by distinguishing the factors that influence it. It seeks to examine the relationship and by default, the service quality offering through an integrated theoretical framework based on the social exchange theory. In the context of this research, the social exchange theory's relevance is the quality of social exchanges between the frontline employees' and the HR administration providers. Social exchange theory is based on

reducing individual disadvantages and maximising personal benefits. Therefore, there is shared responsibility for the outcome of each exchange by the HR provider and the employee (Sierra & McQuitty, 2005).

Lawler's (2001) theory expands on this and suggests that emotions are a core feature of social exchange processes and that when heated, are directed at the entity rather than the individual service agent. A positive encounter engenders a good ambiance that filters through the ranks, but then again similarly, a negative encounter can impact on the entire service and negate any goodwill attained. Therefore, whether the perception of the exchange is success or failure, emotions are affected and by default the engagement of the frontline employees'. According to Rhoades (2016), some research studies that have been carried out on customer satisfaction, indicate that 68% demonstrate dissatisfaction if they feel that their administrator does not care or is indifferent. To test the hypotheses, the researcher intends to conduct a number of studies. One research approach will be used for the study and this will be the quantitative approach. This will be achieved through inferential statistical questionnaires; Saks (2006) survey and the burden of proof to support the alternative hypothesis and disprove the null hypothesis. This will measure probabilities, variables and verify existing theories or hypotheses and question them by manipulating pre-existing statistical data using computational techniques and validating with Cronbach's Alpha, where the result must be greater than 0.70. SPSS will be used for the statistical analysis.

## **Conclusion**

The literature review is an integral part of any research study. The objective was to evaluate and review the extant literature on engagement, job satisfaction and commitment in an attempt to interpret the theories that exist and apply them to our research question. This chapter highlighted the importance of Kahn's psychological conditions that are necessary for engagement which he termed in his earliest writings in the 1990s (Welch, 2011). This chapter also addressed job satisfaction, which is not a new concept but has a major influence on happiness at work and therefore employee engagement.

Despite the volume of research, there is still a dearth of study into employee engagement and its agreed definition. This leads to different definitions of engagement and different measurement methods, which makes it difficult to compare results. Positive employee engagement is strived for by organisations, however, literature and psychology show us that each employee has their own personality and characteristics. These unique physiognomies can affect any given situation and can lead to employees being engaged or disengaged. Disengagement or burnout occurs not only when employees are not engaged but also when an employee is over-engaged. The literature suggests that while employee engagement is vital, the process should be handled delicately by employers, who should lead by example.

## **4. Methodology**

### **Introduction**

This chapter will present the method and approach adopted in this study. It will include an outline of the research philosophy that underpins the research, the research framework and an overview of the research design relating to how the data was collected. The research strategy for measuring the association between employee organisation engagement and employee job engagement will be outlined, along with details of the research instrument, an online questionnaire (Saks, 2006) distributed through LimeSurvey. The justification for the selection of this survey is discussed along with its limitations. Research limitations are also discussed, as are the ethical considerations of the researcher.

### **Research Philosophy**

This study adopts the philosophy of positivism, as it assumes reality exists outside of the subject being researched. According to Blumberg, B., Cooper, D.R & Schindler, P.S (2008), a research philosophy is a belief relating to how research should be conducted, how the theory (research reasoning) and the data (observations or information received) are connected and organised. Saunders, Lewis and Thornhill (2016) suggest that research philosophy is related to the development and nature of knowledge.

The two main research philosophies are positivism and interpretivism. Positivism is a philosophy that accepts only things that can be seen or proven. Hilary Collins, in her book “Creative Research” defines positivism



*“as a philosophy, positivism is in accordance with the empiricist view that knowledge stems from human experience. It has an atomistic, ontological view of the world as comprising discrete, observable elements and events that interact in an observable, determined and regular manner”* (Collins, 2008, p. 38).

Positivists contend that there is only one external reality and that theory should only be based on observations that can be made with complete certainty (Goodwin & Goodwin, 2017). Conversely, interpretivists argue that reality is socially constructed by individuals who subjectively design their own sense of realism (Saunders, et al., 2016).

Therefore, positivism was adopted as the philosophy for this research, as the researcher becomes the observer of the data, with no influence on the findings but rather using systematic and statistical techniques for the research process (Quinlan, et al., 2015). According to Quinlan (2015), research projects are supported by a philosophical framework that seeks to prove the worldview the research is situated within and which can be witnessed at each juncture.

## **Research Framework**

This study adopts the research framework, known as the “research onion” as devised by Saunders, Lewis and Thornhill (2009). This framework describes the themes underlying the choice of methods used and advocates the use of research philosophy, approach, strategy, time horizon and data collection methods. This framework has assisted in the formulation of the current research and has directed the selection of the methodology used.

## **Research Approach**

The two main approaches used when conducting research are deductive and inductive and both come under positivist and interpretivist philosophies according to Saunders et al., (2016). The inductive process aims to generate a theory from the examination of a subject, known as bottom-up reasoning (Horn, 2012). Whereas the deductive process works from testing a theory, that is; moving from a general to a specific position. This is referred to as top-down reasoning (Horn, 2012). Quinlan, et al., (2015, p. 79) defines deductive reasoning as

*“a type of logic which moves from generalised principles known to be true to a specific conclusion”.*

Deductive reasoning involves the creation of hypotheses which are researched in order that the variables identified can be measured. This should be easy to replicate for other researchers with a different set of data (Bryman & Bell, 2015). Once the testable hypothesis is identified, examination of the subject is conducted upon existing theories in the field of behavioural science. The principles are then tested through the data collection using quantitative methods and analysed to deduce if the results are consistent. The hypothesis is then rejected or supported (Saunders, et al., 2009)

## **Research Design**

The research design for this study began with the move from theory to data collection. The data collection was carried out within the private sector in Ireland. This involved the identification of two transport companies with whom the researcher had very close connections. Both companies contained in excess

of five thousand employees at the time of the survey. The researcher opted to use a quantitative survey over the qualitative interview method, as the most appropriate process in order to (a) examine a large sample size in each company (100), (b) receive the responses quickly and (c) utilise the accessibility to the sample population by using a contact within each organisation.

### **Research Design Feasibility**

The researcher has very close connections to both companies used in this study and was grateful for the assistance received. The researcher had in the past been a full-time employee in company two and has a close connection to the CEO of company one. This greatly facilitated the appropriate method chosen to gather data and aided access to participants within both companies. The researcher was assisted in both cases, by a current employee, who administered the surveys on the researcher's behalf. In company one, (in-house HR administration), the contact was the personal assistant to the Chief Executive Officer, (CEO) and in company two, (outsourced HR administration), the contact was the executive assistant to the CEO. In both cases, these contacts managed the initial distribution of the survey and then followed up with a reminder to all participants.

### **Research Strategy**

An association between variables such as job engagement and organisation engagement would indicate that a change in one variable is consistently and predictably accompanied by changes in the other variable (Gravetter & Forzano, 2012). In order to establish the existence of this association, the researcher must take measurements of the two variables. This requires the application of a

survey or questionnaire and according to Quinlan et al., (2015), this is the most effective method for researching large samples and is commonly used in quantitative research.

The use of a validated survey with a structured set of questions and statements has enabled the researcher to measure the responses of beliefs and attitudes held by the sample population chosen. The choice of using a survey also allows for the collection of standardised data from a sizable population in an economical way (Saunders, et al., 2016). This is a practical consideration given the time constraints of this research.

## **Research Procedure**

As previously mentioned, the survey used for the study was from a journal by Alan Saks (2006). A dissertation by Katrina Kane (2017) for the National College of Ireland, led the researcher to this survey which suits the needs of this investigation. The scale items from Saks published article was used, once permission was sought and granted (Appendix 4). The survey was distributed using LimeSurvey and random sampling of participants from each company was the preferred option. According to Robson (2002), the questionnaire method

*“works best with standardized questions that you can be confident will be interpreted the same way by all respondents”.*

According to Collis and Hussey (2009), the methodology of utilising a survey is synonymous with primary data collection which generates quantifiable results from a definite population. Bryman and Bell (2015), reiterate by stating that;

*“survey research comprises of cross-sectional design in relation to which data is collected predominantly by questionnaire”.*

One of the main considerations in the collection of the data is that it must be both valid and reliable. Saunders, Lewis & Thornhill (2009, p. 156) propose that reliability in this context refers to:

*“the extent to which your data collection techniques or analysis procedures will yield consistent findings”.*

Saunders et al (2009) suggest that using quantitative data in your survey allows for more control by the researcher.

## **Research Demographics**

Saks survey is recognised as an academic source and is rigorously validated. Participants in this research were asked to rate a range of statements and questions on a Likert scale ranging from 1 - strongly disagree to 5 – strongly agree. Some of the statements were reverse coded for negatively worded statements and these are highlighted in Appendix 5. In addition to the questions posed by Saks, a selection of demographic questions was included by the researcher.

Employee job engagement is measured through the response to five statements with a further five constructs which serve as predictors for job engagement behaviours. These are job satisfaction, organisational commitment, intent to quit, organisational citizenship behaviour (directed towards the organisation) and organisational citizenship behaviour (by the individual).

Employee organisational engagement is measured through the response to six statements, with a further six constructs which serve as predictors for

organisational engagement behaviours. These are job characteristics, rewards & recognition, distributive justice, procedural justice, perceived organisational support and perceived supervisor support.

This survey was chosen as it captures many of the themes identified in the literature review in terms of the drivers and predictors of employee engagement. The total number of participants who completed the survey was 200. Twenty-two incomplete responses were received from company one and forty-three incomplete responses were received from company two. Upon receipt of 100 complete responses, the survey was amalgamated into one set of data within the SPSS system.

## **Sampling**

The researcher used non-probability sampling (or convenient sampling). Participants were selected on a random basis, by a contact within each of the companies. The participants do not represent the population of both companies and the size of each sample per company, is not enough to reduce sampling bias. Bias is defined as a systematic error that can influence research findings, especially those who use non-probability sampling methods (McCullagh, 2008). According to Green, Gerber and De Boef, (1999). There are two main ways to reduce sampling bias. The first is to stratify the sample, the method used in this dissertation and the second is to obtain a larger sample size. The sample size for the purpose of this research is one hundred and fifty frontline employees' in each company, one who have chosen to outsource their HR administration and one who have retained their HR administration in-house. The participants include male and female employees of varying ages. All the participants

included in the survey received an initial email by the contact within the company inviting them to take part in the survey. On receipt of their acceptance, the link to the questionnaire was sent by email.

## **Research Ethics**

According to Saunders, Lewis & Thornhill (2016), ethics concern the actions that are acceptable and behaviours that are appropriate, by societies' norms. This research has respected the ethics and ethical guidelines of the National College of Ireland. A consent form has been submitted to the respondents and the option to partake in the survey or to refrain is fully voluntary. Confidentiality is a very important ethical consideration and, in this regard, it is offered to the respondents along with anonymity. It is clearly stated in the information sheet that no identification of the respondents or of the two companies will be recorded. The email address of the researcher is also provided in case participants require further information. Ethical issues relating to the analysis and reporting of the responses have been observed. Credits have been given to all references and materials used.

## **Data Analysis, Validity and Reliability**

The data gathered from the responses to the questionnaire was input into the statistical tool SPSS (Statistical Packages for Social Sciences) in order for the detailed analysis to be conducted. Due to its ability to analyse large data sets, the SPSS tool is recommended for quantitative studies (Quinlan, et al., 2015). The scale used in this study (Saks, 2006) consisted of thirteen items with five additional demographic questions included by the researcher. The reliability of each of the scales measured was assessed using the application of the Cronbach

alpha statistic procedure, as presented in Table 4. The range of the alpha coefficient is between 1 (perfect internal reliability) and 0 (no internal reliability) (Bryman & Bell, 2011). Cronbach's alpha is one of the most commonly used indicators of internal consistency, according to Saunders, Lewis & Thornhill (2016). It is a measure of scale reliability and in this study, we re-evaluated the reliability of Saks (2006) six item job engagement scale and seven item organisation scale and found a Cronbach alpha value that was above 0.70 for every scale, Table 1, making this data a coefficient of reliability (Bonnett & Wright, 2015). Graphs are contained in Appendix 10.

**Table 1: Cronbach alpha results**

<b>Cronbach Alpha Results</b>		<b>Values</b>
<b>1</b>	<b>Job Engagement</b>	<b>0.715</b>
<b>2</b>	<b>Organisation Engagement</b>	<b>0.877</b>
<b>3</b>	<b>Job Characteristics</b>	<b>0.741</b>
<b>4</b>	<b>Rewards and Recognition</b>	<b>0.873</b>
<b>5</b>	<b>Distributive Justice</b>	<b>0.951</b>
<b>6</b>	<b>Procedural Justice</b>	<b>0.931</b>
<b>7</b>	<b>Perceived Organisational Support</b>	<b>0.891</b>
<b>8</b>	<b>Perceived Supervisor Support</b>	<b>0.897</b>
<b>9</b>	<b>Job Satisfaction</b>	<b>0.821</b>
<b>10</b>	<b>Organisational Commitment</b>	<b>0.92</b>
<b>11</b>	<b>Intention to Quit</b>	<b>0.813</b>
<b>12</b>	<b>Organisational Citizenship Behaviour (individual)</b>	<b>0.844</b>
<b>13</b>	<b>Organisational Citizenship Behaviour (Organisational)</b>	<b>0.814</b>



An assessment of the descriptive analysis of results was conducted in order to determine trends and patterns from the data set. This included histograms distribution and tests for normality. For this study, the significance value used was 5% as standard in the social sciences. This significance level (p-value) of the tests conducted in SPSS is used to accept or reject the null hypothesis. Where values are found that are greater than 0.05, the null hypothesis is accepted and rejected for values under 0.05 (Quinlan, et al., 2015).

This study also used the Pearson product-moment correlation coefficient correlation analysis to examine if there was a significant relationship between the variables. In order to measure the strength of association between two variables, the correlation (r) is used and ranges from -1 (perfect negative correlation) to 1 (perfect positive correlation). Cohen (1988) suggests the following guidelines.

**Table 2: Correlation Coefficient Guidelines**

<b>Correlation coefficient value</b>	
	<b>Association</b>
<b>-0.3 to +0.3</b>	<b>Weak</b>
<b>0.5 to -0.3 or 0.3 to 0.5</b>	<b>Moderate</b>
<b>-0.9 to -0.5 or 0.5 to 0.9</b>	<b>Strong</b>
<b>-1.0 to -0.9 or 0.9 to 1.0</b>	<b>Very strong</b>

(Cohen, 1988)

The coefficient of determination is calculated by squaring the R-value and converting to a percentage. In our 1<sup>st</sup> example, when we examine the association between job engagement and job satisfaction, the Pearson

correlation,  $r = .388$  (table 10). The Pearson correlation when squared indicates 34.5 percent shared variance in respondents' scores on the job engagement scale.

Linear regression analysis was also carried out to predict the value of the dependent variable (outcome variable) based on the value of the independent variables (predictor variable). In order for the linear regression to present a valid result, there needs to be a linear relationship between the variable with no significant outliers. Scatterplots have been produced, Tables 9-19, which demonstrate linearity.

### **Time Horizon**

Where a finite time limit exists on academic research studies, a cross-sectional study is most suitable as it offers precise phenomenon studies when specific time periods and deadlines are in operation. This is the method that has been applied to this research as the survey required completion within a specific time duration. The researcher allocated two weeks for distribution and collection of the data through the survey questionnaire.

### **Research Limitations**

Although the foundation of this study is based on a theoretical framework, grounded in the existing literature and has been measured with a reliable survey instrument, it also presents several limitations.

As the research has been conducted through cross-sectional data to test the hypothesis, longitudinal data was not an option and therefore not collected. This was due to time constraints and the researcher believes that the study would have benefitted significantly from such data collection. A longitudinal study

would track the same respondents over time, resulting in the impact being observed over time instead of a snapshot in time.

Two Irish transport companies were approached in order to collect data through the survey, hence, the findings cannot be generalised across industries, populations or other countries.

The survey was issued to a percentage of the workforce in both companies. Managers were excluded as they could have a vested interest in the success of an HR administration service and may have had an input into the decision to outsource HR administration where it has occurred. The sample size is small (200 participants) and the outcome is mixed, based on personal experience of customer satisfaction with the service provider. The researcher acknowledges that this does not fully represent the population of the company, and therefore, a definite result will be difficult to conclude. The sample results will instead give a percentage view of how frontline employees are affected by the relationship with their HR administration providers.

The decision to collect quantitative data negated any qualitative data being included. This has resulted in a lack of deep and meaningful personal answers that may have been gathered in interview circumstances and would have led to a richer viewpoint on the impact on the frontline employees’.

## **5. Research Findings**

### **Introduction**

This chapter contains exploratory and descriptive statistics that assist in the analysis of the survey results. Tests of normality are presented for the variables followed by non-parametric tests to validate the findings. A linear regression analysis is also presented in order to predict the comparable values of the variables.

The demographics of each company and their respondents is presented, followed by a descriptive analysis of results in order to determine trends and patterns from the data set. This includes histogram distribution, tests for central tendency (mean) and measures of variability or spread (standard deviation). We follow these by presenting the results of assessments of normality. Finally presenting inferential results of tests of differences in the magnitude of engagement levels across HR functions.

The aim of the various statistical tests was to address the research objectives;

1. To discover what effect the following factors, have on levels of job engagement; job satisfaction, organisational commitment, intention to quit and organisational citizenship
2. To explore the effect of the following factors on levels of organisation engagement; job characteristics, rewards and recognition, distributive justice, procedural justice, perceived organisational support and perceived supervisor support.

3. To offer recommendations on engagement that could be implemented by organisations to raise the level of employee engagement.

## **Demographics**

There were 150 frontline employees selected to complete the survey in each company. However, the researcher received a total of 265 returns with, of which 65 returns were incomplete responses. Once 100 complete responses were received in each company, the survey was closed down and data uploaded to SPSS. For the purpose of investigating the effect on employee engagement when HR administration is outsourced or retained in-house, 100 frontline employees from each company selected is the sample under analysis.

The demographic characteristics of the sample respondents are outlined in Tables 17-21, Appendix 8 and Tables 22-26, Appendix 9. Based on the sample population, the following characteristics were found in each company.

The gender divide in both companies was similar, Company one, in-house HR (Male 55%, Female 45%), Company two, outsourced HR, (Male 59%, Female 41%). This higher male population in company two can be attributed to the fact that this company was previously a semi-state organisation and therefore, traditionally, had more male employees. This is also a factor when we look at the service years for each company. Service years in Company one, in-house HR (under 20 years 84%, over 20 years 16%) whereas Company Two, outsourced HR, (under 20 years 56%, over 20 years 44%). Where companies were semi-state but have since entered the private market, customarily they tend to carry employees with long service.

Again, this is borne out, when we examine the age profile in each company. Company two, outsourced HR, has 46% of their employees over fifty years of age, while Company one, in-house HR, has a younger workforce with 78% of their workforce under fifty years of age and only 22% over the age of fifty.

Employment status is comparable in both companies with 10% part-time employees in Company one, in-house HR, and 9% part-time employees in Company two, outsourced HR. It would appear from the statistics that supervisors are predominant in Company two, outsourced HR with 56% of the population in the position of supervising employees. This is in contrast to Company one, in-house HR where only 44% declare supervisor status.

## Descriptive Statistics Job Engagement

In Table 3, we present a numerical display of the information contained in the histograms which relate to the independent variable, job engagement.

**Table 3: Measurement of central tendency for Job Engagement**

Statistics			
Job Engagement			
		Valid	100
	N	Missing	0
In-house Administration	HR	Mean	3.84
		Median	4
		Mode	4
		Std. Deviation	0.568
		Skewness	-0.298
		Std. Error of Skewness	0.241
		Valid	100
	N	Missing	0
Outsourced Administration	HR	Mean	3.59
		Median	3.6
		Mode	3.6
		Std. Deviation	0.65
		Skewness	-0.312
		Std. Error of Skewness	0.241

Focussing on the average job engagement levels across both companies, as presented in Table 3 we can see that average engagement levels for in-house employees ( $M= 3.84$ ) are greater than average job engagement levels of employees in the out-sourced company ( $M= 3.59$ ). Considering both the mean difference and median difference, they seem to suggest overall differences in job engagement levels across companies and that job engagement is higher in the in-house HR administration company than in the outsourced HR administration company. The next examination of results leads us to histograms created for the job engagement independent variable. In both cases, the

horizontal axis represents magnitudes of job engagement perception and the vertical axis represents the number of employees at specific levels.

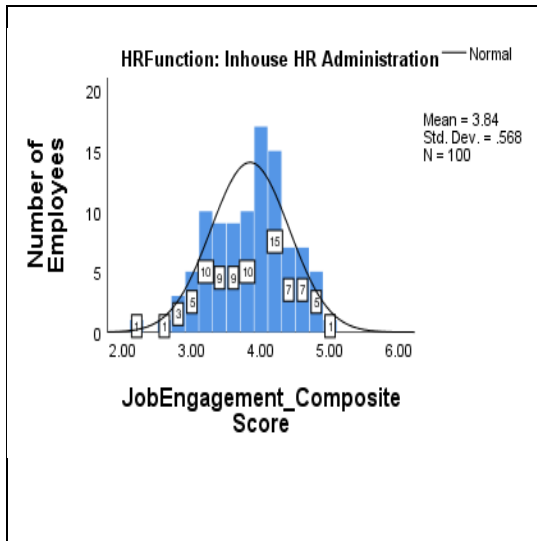


Figure 5:  
Job Engagement  
In-house HR

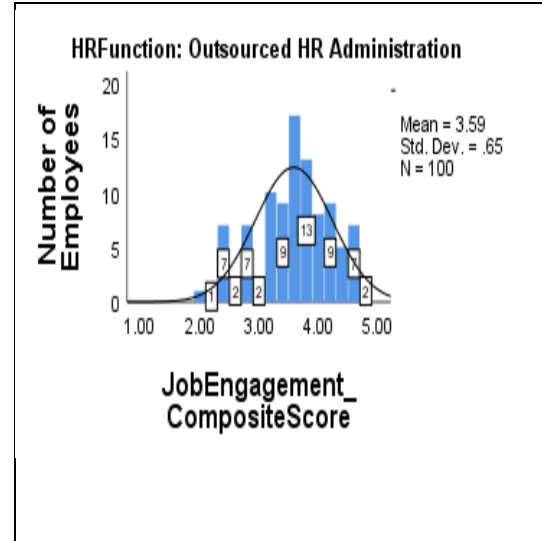


Figure 6:  
Job Engagement  
Outsourced HR

In Figure 5 and 6, we present histograms depicting job engagement distributions for both in-house HR functions and out-sourced HR functions. In both cases, the horizontal axis represents magnitudes of job engagement perception and the vertical axis represents the number of employees at specific levels

Both histograms (Figure 5 and 6) appear to be skewed to the left demonstrating that the mean is typically less than the median with respect to job engagement levels, as is evident by both statistics. Considering across HR function, it is evident that the mean (M=3.8) and median (Me= 4.0) is higher for the in-house company compared to the mean (M= 3.6) and median (Me= 3.6) for the outsourced company. Considering the median scores and that each median reflects a positive agreement, this would indicate that the majority of employees



in each company answered the surveys in a positive manner. The relative skewness of each distribution is also supported by their respective skewness statistics, in-house ( $Sk = -.298$ ) and out-sourced ( $Sk = -.312$ ), albeit only exhibiting slight skewness. Therefore, job engagement is high for both companies. Fewer respondents answered strongly disagree or disagree when considering job engagement.

**Table 4: Tests of Normality for Job Engagement**

<b>Tests of Normality</b>					
<b>Job Engagement</b>	<b>HRFunction</b>		<b>Shapiro-Wilk</b>		
			Statistic	df	Sig.
		<b>Inhouse</b>	<b>HR</b>	<b>0.976</b>	<b>100</b>
	<b>Administration</b>				
	<b>Outsourced</b>	<b>HR</b>	<b>0.969</b>	<b>100</b>	<b>0.020</b>
	<b>Administration</b>				

a. Lilliefors Significance Correction

In order to determine if these differences are statistically significant, we assessed the degree of normality for each distribution. The results of the Shapiro-Wilk test of normality, as presented in Table 4, indicated that there was no statistical evidence at the 5% level of significance to suggest that job engagement levels are non-normal for in-house HR employees  $W = .976$ ,  $df = 100$ ,  $p = .067$ . With respect to employees who work for organisations who have out-sourced their HR functions, the results of the Shapiro-Wilk test of normality indicated that there was statistical evidence at the 5% level of significance to suggest that job engagement levels are non-normal  $W = .969$ ,  $df = 100$ ,  $p = .020$ .

As such, the non-parametric Mann-Whitney U test of difference in mean ranks was undertaken. The results of the Mann-Whitney U test indicated that there is statistical evidence at the 5% level of significance to suggest that mean rank job engagement levels of employees whose organisation kept their HR functions in-house (MR= 111.53) was greater than the mean rank job engagement levels of employees whose organisation outsourced their HR functions (MR= 89.48),  $z = -2.707$ ,  $p = .007$ . This is presented in Table 5. This would suggest that organisations should consider the implications of outsourcing their HR functions with regard to the effect on engagement levels of employees within their organisation.

**Table 5: Mann-Whitney U Test for Job Engagement**

<b>Mann-Whitney U Test Ranks</b>				
	HRFunction	N	Mean Rank	Sum of Ranks
Job Engagement	Inhouse Administration HR	100	<b>111.53</b>	11152.5
	Outsourced Administration HR	100	<b>89.48</b>	8947.5
	Total	200		
<b>Test Statistics</b>				
	JobEngagement_CompositeScore			
Mann-Whitney U	<b>3897.5</b>			
Wilcoxon W	8947.5			
Z	<b>-2.707</b>			
Asymp. Sig. (2-tailed)	<b>0.007</b>			

a. Grouping Variable: HRFunction

Factors that influence job engagement have been documented in the literature many times, such as Bandura & Lyons (2014) and Herzberg (2008) who discuss those factors that motivate and drive engagement for employees. In particular,

Saks (2006) who suggests a five-factor model that includes job satisfaction organisation commitment, intention to quit, organisational citizenship behaviour, individual; and organisational citizenship behaviour, organisational. In this subsection, we reassess the impact of these factors on job engagement by first exploring their levels of association and then their predictive power through regression.

A Pearson product-moment correlation coefficient was computed as shown in Table 6 to assess the relationship between job engagement (independent variable) and the following dependent variables; job satisfaction, organisation commitment, intention to quit, OCBO and OCBI. This was conducted in order to examine if there was a significant correlation between the variables, as presented in table 6.

**Table 6: Pearson Correlation Significance Job Engagement and dependent variables**

Correlation Significance					
Job Engagement	Job Satisfaction	Organisation Commitment	Intention to Quit	Organisation Citizenship Behaviour	Organisation Citizenship Behaviour
Pearson Correlation	.388**	.364**	-.248**	.323**	.375**
Sig. (1 tailed)	0.0000	0.0000	0.0000	0.0000	0.0000
N	200	200	200	200	200
Coefficient of Determination	15%	13%	6%	10%	15%
** . Correlation is significant at the 0.01 level (1-tailed).					

The first measurement examined, for a significant association, was the relationship between job engagement and job satisfaction, which measures how much an employee is consumed with and engaged in their job and the

satisfaction levels they receive from their role. The results indicated a moderate positive correlation between the two variables, ( $r = .39$ ,  $n=200$ ,  $p < .01$ ). In order to calculate how much variance is shared by the two variables, we calculate the coefficient of determination. Table 6 shows a Pearson correlation  $r^2 = .388$ , when squared equals approximately 15%. Job satisfaction contributes to 15% of the variance in respondents scores on the job engagement scale. Results reveal that higher levels of job engagement are associated with higher levels of job satisfaction and suggest that the more engaged the employee is with their job, the more satisfaction they derive from their role. A scatterplot summarises the results (Figure 9).

The second measurement, presented in Table 6, was the relationship between job engagement and organisational commitment, which measures how much an employee is consumed and engaged in their job and how committed they are to the organisation. Results indicate a moderate positive correlation between the two variables, ( $r = .36$ ,  $n=200$ ,  $p < .01$ ,  $r^2 = .364$ ). Results indicate that higher levels of job engagement are associated with higher levels of organisational commitment and suggests that the more engaged the employee is with their job, the greater their commitment to the organisation. A scatterplot summarises the results (Figure 10).

Intention to quit was the next variable that was measured to establish the correlation significance with job engagement, as presented in Table 6. The results indicated a weak negative correlation between the two variables, ( $r = -.25$ ,  $n=200$ ,  $p < .01$ ,  $r^2 = -.248$ ). Results indicate that higher levels of intention to quit are associated with lower levels of job engagement. A scatterplot summarises the results (Figure 11).

Job engagement and organisational citizenship behaviour, individual, (OCBI) was also examined and presented in Table 6. The result revealed a moderate positive correlation, ( $r = .32$ ,  $n=200$ ,  $p < .01$ ,  $r^2 = .323$ ). Results indicate that higher levels of employee engagement are associated with higher levels of OCBI and suggests that the more engaged the employee is with their job, the more they do as an individual to assist the organisation. A scatterplot summarises the results (Figure 12).

The final measurement examined for a significant association was the relationship between job engagement and organisational citizenship behaviour, organisational, (OCBO). The results shown in Table 6, indicated a moderate positive correlation between the two variables, ( $r = .38$ ,  $n=200$ ,  $p < .01$ ,  $r^2 = .375$ ). Results indicate that higher levels of employee engagement are associated with higher levels of OCBO and suggests that the more engaged the employee is with their job, the more they do to protect and defend the organisation. A scatterplot summarises the results (Figure 13).

The model summary, shown in Table 7, shows the R value, ( $R = .516^a$ ) which indicates a strong degree of correlation. The  $R^2$  value indicates how much of the total variation in job engagement can be explained by job satisfaction, organisation commitment, intent to quit, organisation citizenship behaviour, individual and organisation. In this case, 26.7% can be explained.

**Table 7: Correlation Results for Job Engagement**

<b>Model Summary</b>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.516a	0.267	0.248	0.540
a. Predictors: (Constant), Organisational Citizenship Behaviour Organisation Composite Score, Intention to Quit Composite Score, Organisational Citizenship Behaviour Individual Composite Score, Job Satisfaction Composite Score, Organisation Commitment Composite Score				

A simple linear regression was calculated to predict the effect of job engagement based on job satisfaction, organisation commitment, intent to quit, organisation citizenship behaviour, individual and organisation. The results are contained in Table 9. This addresses the first sub-objective within this study.

A significant regression equation was found ( $F(5, 194) = 14.101, p < .000^b$ ) with an  $R^2$  of .267.

Participants' predicted job engagement is equal to  $-2.065 + .258$  (job satisfaction) +  $.068$  (organisation commitment) +  $.80$  (intention to quit) +  $.195$  (organisation citizenship behaviour, individual) +  $.127$  (organisation citizenship behaviour, organisation) when job engagement is measured in units. That is to say, the participants' job engagement increased by the relevant number of units

of job satisfaction, organisation commitment, intent to quit, organisation citizenship behaviour, individual and organisation. The independent variables that made a very significant contribution to job engagement were job satisfaction, ( $p < 0.001$ ), OCBI ( $p < 0.002$ ), OCBO ( $p < 0.030$ ). Neither organisational commitment or intention to quit had a significant influence on job engagement

## Descriptive Statistics Organisation Engagement

In Table 10, we present a numerical display of the information contained in the histograms which relate to the independent variable, organisation engagement.

**Table 10: Measurement of central tendency for Organisation Engagement**

Statistics			
Job Engagement			
	N	Valid	100
		Missing	0
In-house HR Administration	Mean	3.44	
	Median	3.5	
	Mode	4	
	Std. Deviation	0.814	
	Skewness	-0.44	
	Std. Error of Skewness	0.241	
		N	Valid
	Missing		0
Outsourced HR Administration	Mean	3.15	
	Median	3.17	
	Mode	3.2	
	Std. Deviation	0.741	
	Skewness	-0.062	
	Std. Error of Skewness	0.241	

Focussing on the average organisation engagement levels across both companies as presented in Table 10, we can see that average organisation engagement levels for in-house employees ( $M = 3.44$ ) are greater than average

organisation engagement levels of employees in the outsourced company (M=3.15). Considering both the mean difference and median difference, they seem to suggest overall differences in organisation engagement levels across the companies and that organisation engagement is higher in the in-house HR administration company than in the outsourced HR administration company.

We continue our examination of the results with histograms created for the organisation engagement independent variable. In Figure 7 and 8, we present histograms depicting organisation engagement distributions for both in-house HR functions and out-sourced HR functions. In both cases, the horizontal axis represents magnitudes of organisation engagement perception and the vertical axis represents the number of employees at specific levels.

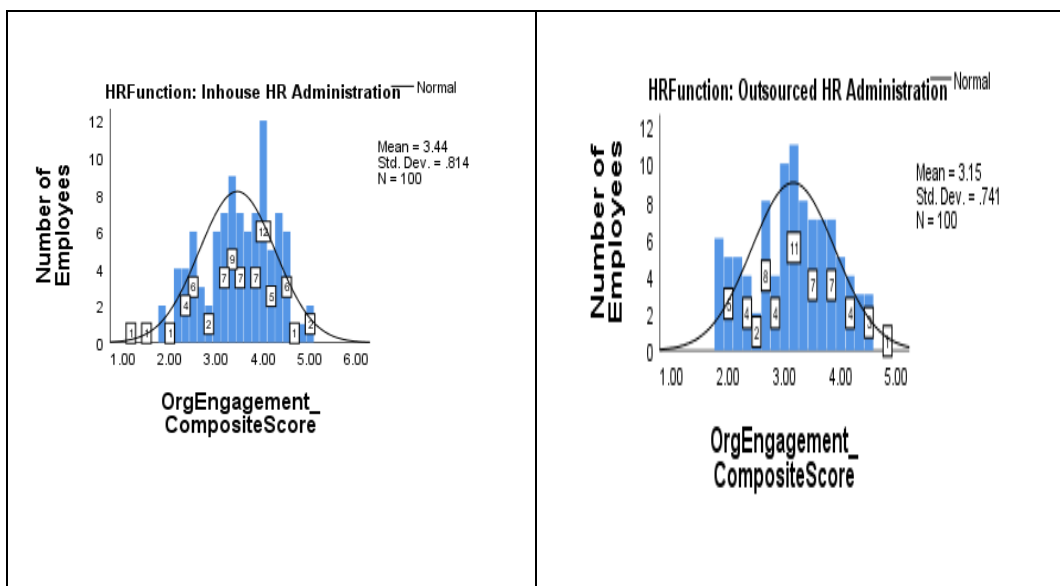


Figure 7:  
Organisation Engagement,  
In-house HR

Figure 8:  
Organisation Engagement  
Outsourced HR

For organisational engagement, the histogram depicting the in-house company appears to be skewed to the left demonstrating that the mean is typically less



than the median. This is evident in the statistics where  $m=3.4417$  and median is slightly higher at  $med=3.5000$ . Considering that this median score reflects positive agreement, this would indicate that the majority of the employees in the in-house HR administration company answered the surveys in a positive manner. The relative skewness distribution is also supported by the skewness statistics for the in-house company ( $Sk=-.440$ ).

In contrast, the histogram for the outsourced HR administration company appears to be slightly skewed to the right, yet the mean is slightly less than the median. Considering this across HR function, the statistics demonstrate that the mean ( $M= 3.4$ ) and median ( $Me= 3.5$ ) is also higher for the in-house company compared to the mean ( $M= 3.15$ ) and median ( $Me= 3.17$ ) for the outsourced company. Considering this median score is also positive, it would indicate that a smaller percentage of employees in the outsource HR administration company answered the survey in a positive manner. The relative skewness distribution supports this smaller percentage ( $Sk=-.062$ ).

**Table 11 – Tests of Normality for Organisation Engagement**

<b>Tests of Normality</b>					
<b>Organisation Engagement</b>	<b>HRFunction</b>		<b>Shapiro-Wilk</b>		
			Statistic	df	Sig.
	<b>Inhouse Administration</b>	<b>HR</b>	<b>0.974</b>	<b>100</b>	<b>0.048</b>
<b>Outsourced Administration</b>	<b>HR</b>	<b>0.974</b>	<b>100</b>	<b>0.045</b>	

a. Lilliefors Significance Correction

In order to determine if these differences are statistically significant, we assessed the degree of normality for each distribution. The results of the

Shapiro-Wilk test of normality, as presented in Table 11, indicated that there was no statistical evidence at the 5% level of significance to suggest that organisation engagement levels are non-normal for in-house HR employees, ( $W = .974$ ,  $df = 100$ ,  $p = .048$ ). With respect to employees who work for organisations who have out-sourced their HR functions, the results of the Shapiro-Wilk test of normality also indicated that there was no statistical evidence at the 5% level of significance to suggest that organisation engagement levels are non-normal ( $W = .974$ ,  $df = 100$ ,  $p = .045$ ). As such, the non-parametric Mann-Whitney U test of difference in mean ranks was undertaken.

**Table 12: Mann-Whitney U Test for Organisation Engagement**

Mann-Whitney U Test		Ranks		
	HRFunction	N	Mean Rank	Sum of Ranks
Organisation Engagement	Inhouse Administration	HR 100	<b>111.78</b>	11178
	Outsourced Administration	HR 100	<b>89.22</b>	8922
	Total	200		
<b>Test Statistics<sup>a</sup></b>				
		OrgEngagement_CompositeScore		
Mann-Whitney U		<b>3872</b>		
Wilcoxon W		8922		
Z		<b>-2.762</b>		
Asymp. Sig. (2-tailed)		<b>0.006</b>		

a. Grouping Variable: HRFunction

The results of the Mann-Whitney U test are presented in Table 12, and indicate that there is statistical evidence at the 5% level of significance to suggest that mean rank job engagement levels of employees whose organisation kept their HR functions in-house (MR= 111.78) was greater than the mean rank job engagement levels of employees whose organisation outsourced their HR

functions ( $MR= 89.22$ ),  $z= -2.762$ ,  $p= .006$ . This suggests that there is a greater effect on the frontline employees in the company who have outsourced their HR function and consideration should be given to the implications that this could have on engagement within that organisation.

Factors that influence organisation engagement have also been documented in the literature such as Sonnetag, Dormann and Demerouti (2010) and Spector (1997). Saks (2006), in his article “Antecedents and Consequences of Employee Engagement” suggest a six-factor model that includes job characteristics, rewards and recognition, distributive justice, procedural justice, perceived organisational support and perceived supervisor support. In this subsection, we reassess the impact of these factors on job engagement by first exploring their levels of association and then their predictive power through regression.

A Pearson product-moment correlation coefficient was also carried out between organisation engagement (independent variable) and the following dependent variables; job characteristics, rewards and recognition, distributive justice procedural justice perceived organisational support and perceived supervisor support. The correlation significance is detailed in Table 13.

**Table 13: Pearson Correlation Significance Organisation Engagement and dependent variables`**

Correlation Significance						
Organisational Engagement	Job Characteristics	Rewards Recognition	Distributive Justice	Procedural Justice	Perceived Organisational Support	Perceived Supervisor Support
Pearson Correlation	.520**	0.569**	0.463**	0.556**	0.633**	0.531**
Sig. (1 tailed)	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
N	200	200	200	200	200	200
Coefficient of Determination	15%	13%	6%	10%	15%	15%

\*\* . Correlation is significant at the 0.01 level (1-tailed).

The first measurement examined, for a significant association, was the relationship between organisation engagement and job characteristics, which measures the involvement of the employee in the organisation with the significance of their work on a daily basis. The results indicated a strong positive correlation between the two variables, ( $r=.52$ ,  $n=200$ ,  $p=.000$   $p<.01$ ). In order to calculate how much variance is shared by the two variables, we calculate the coefficient of determination. Table 13 shows a Pearson correlation  $r^2= .520$ , when squared equals approximately 27% of the variance in respondents scores on the organisational engagement scale. Results indicate that higher levels of organisation engagement are associated with higher levels of job characteristics and suggests that the more engaged the employee is with the organisation, the happier they are in their role and how they perform. A scatterplot summarises the results (Figure 14).

The second measurement examined, presented in Table 13, was the relationship between organisation engagement and rewards and recognition, which

measures the involvement of the employee in the organisation with the level of training, opportunities and rewards received in their role. Results indicated a strong positive correlation between the two variables,  $r = .57$ ,  $n = 200$ ,  $p < .01$ ,  $r^2 = .569$ ). Results indicate that higher levels of organisation engagement are associated with higher levels of reward and recognition, and suggests that the more engaged the employee is with the organisation, the more content they are with the rewards and recognition that is offered by the company. A scatterplot summarises the results (Figure 15).

Organisation engagement and distributive justice were also examined and presented in Table 13. The results indicated a moderate positive correlation ( $r = .46$ ,  $n = 200$ ,  $p < .01$ ,  $r^2 = .463$ ). Results indicate that higher levels of organisation engagement are associated with higher levels of distributive justice and suggests that the greater the organisation engagement that employees have, the more satisfied they are with the outcome they receive based on the input they have made. A scatterplot summarises the results (Figure 16).

The next relationship we looked at for a significant association was organisation engagement and procedural justice. The results, presented in Table 13, indicated a strong positive correlation between the two variables, ( $r = .56$ ,  $n = 200$ ,  $p < .01$ ,  $r^2 = .556$ ). Results indicate that higher levels of organisation engagement are associated with higher levels of procedural justice and suggests that the greater the organisation engagement that employees have, the more satisfied they are that procedures in work are fair and free of bias. A scatterplot summarises the results (Figure 17).

Also, in Table 13, organisation engagement and perceived organisational support were examined for a significant relationship. The results indicated a

strong positive correlation between the two variables, ( $r = .63$ ,  $n = 200$ ,  $p < .01$ ,  $r^2 = .633$ ). Results indicate that higher levels of organisation engagement are associated with higher levels of perceived organisational support and suggests that the greater the organisation engagement that employees have, the more they feel supported in their role by the organisation. A scatterplot summarises the results (Figure 18).

The final measurement examined, for a significant association, was the relationship between organisation engagement and perceived supervisor support. The results, displayed in Table 13, indicated a strong positive correlation between the two variables, ( $r = .53$ ,  $n = 200$ ,  $p < .01$ ,  $r^2 = .531$ ). Results indicate that higher levels of organisation engagement are associated with higher levels of perceived supervisor support and suggests that the greater the organisation engagement that employees have, the more they feel supported by their supervisor. A scatterplot summarises the results (Figure 19).

The model summary, shown in Table 14, shows the R-value, ( $R = .699^a$ ) which indicates a high degree of correlation. The  $R^2$  value indicates how much of the total variation in organisation engagement can be explained by job characteristics, reward & recognition, distributive justice, procedural justice, perceived organisational support, and perceived supervisor support. In this case, 48.9% can be explained.

**Table 14: Correlation Results for Organisation Engagement**

<b>Model Summary</b>				
Model	R	R Square	Adjusted Square	R Std. Error of the Estimate
1	.699 <sup>a</sup>	0.489	0.473	0.573
a. Predictors: (Constant), PSS CompositeScore, Distributive Justice-Composite Score, Job Characteristics-Composite Score, Procedural Justice-Composite Score, Rewards Recognition-Composite Score, POS-Composite Score				

A simple linear regression was calculated to predict the effect of organisation engagement based on job characteristics, reward & recognition, distributive justice, procedural justice, perceived organisational support, and perceived supervisor support. The results are contained in Table 16. This addresses the second sub-objective within this study.

A significant regression equation was found ( $F(6, 193) = 30,780, p < .000^b$ ) with an  $R^2$  of .489. Participants' predicted organisation engagement is equal to  $-2.470 + .008$  (job characteristics)  $+ .024$  (rewards & recognition)  $+ .872$  (distributive justice)  $+ .142$  (procedural justice)  $+ .001$  (perceived organisational support)  $+ .234$  (perceived supervisor support) when organisation engagement is measured in units. That is to say, the participants organisation engagement increased by the relevant number of units of job characteristics, reward & recognition, distributive justice, procedural justice, perceived organisational support, and perceived supervisor support.

The independent variables that made a very significant contribution to organisation engagement were job characteristics, ( $p < 0.008$ ), Rewards & Recognition ( $p < 0.024$ ), perceived organisational support ( $p < 0.001$ ). Neither distributive justice, procedural justice or perceived supervisor support had a significant influence on organisation engagement

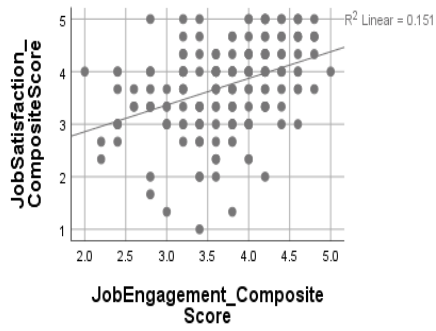
## **Conclusion**

This chapter presented the results of various statistical tests that were carried out in order to explore the research objectives. The first sub-objective was to discover what effect the following factors, have on levels of job engagement; job satisfaction, organisational commitment, intention to quit and organisational citizenship. Results demonstrated that job satisfaction, OCBI and OCBO significantly predicted job engagement in terms of drivers of engagement within organisations. In contrast, intention to quit and organisation commitment demonstrated no significant contribution to drivers of employee engagement.

The second sub-objective was to explore the effect of the following factors on levels of organisation engagement; job characteristics, rewards and recognition, distributive justice, procedural justice, perceived organisational support and perceived supervisor support. What emerged in terms of drivers of organisation engagement is that job characteristics, reward and recognition and perceived organisational support, were significant predictors. These points will be explored further in the discussion section.



**Figure 9: Job Engagement and Job Satisfaction**



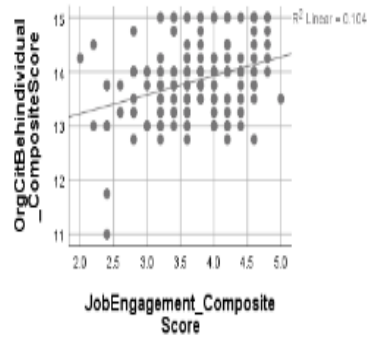
**Figure 10: Job Engagement and Organisation Commitment**



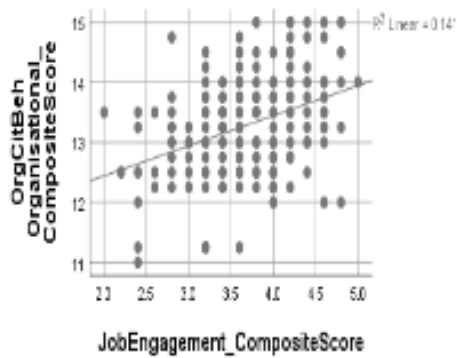
**Figure 11: Job Engagement and Intention to Quit**



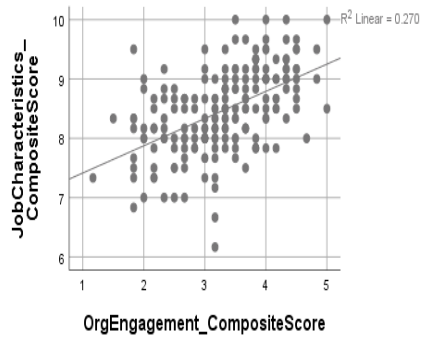
**Figure 12: Job Engagement and OCBI**



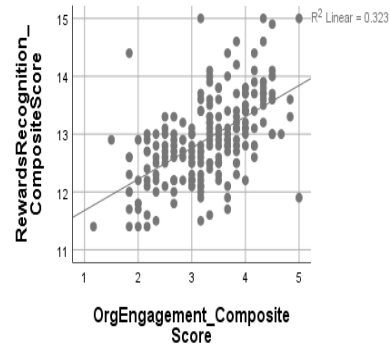
**Figure 13: Job Engagement and OCBO**



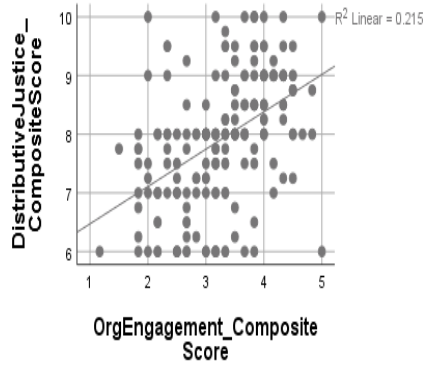
**Figure 14: Organisation Engagement and Job Characteristics**



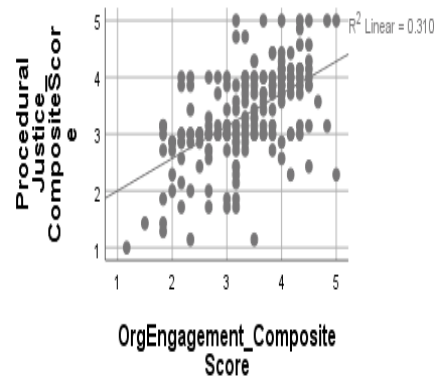
**Figure 15: Organisation Engagement and Rewards**



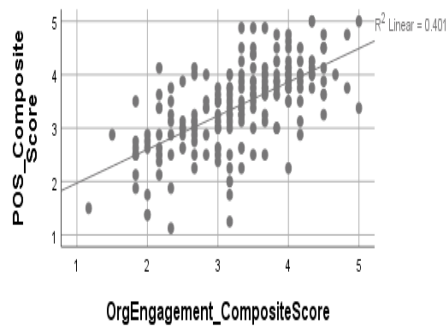
**Figure 16: Organisation Engagement and Distributive Justice**



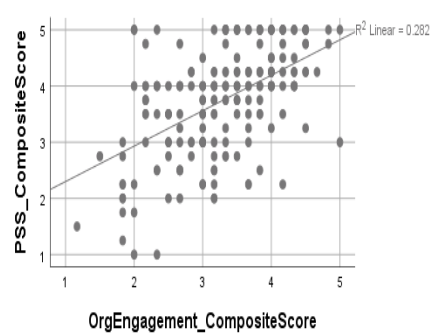
**Figure 17: Organisation Engagement and Procedural Justice**



**Figure 18: Organisation Engagement and Perceived Organisational Support**



**Figure 19: Organisation Engagement and Perceived Supervisor Support**



## **6. Discussion**

Results indicate that there is a difference in the level of engagement between the companies examined in this study. The analysis of the data reveals that engagement is higher in the company that has retained their HR administration in-house as opposed to the company that has outsourced their HR function. While the difference is small, it validates what was suspected. That is: the outsourcing of HR administration services is perceived by employees as major change within an organisation and can cause distance and detachment in the HR administration relationship and a decrease in employee engagement. Existing literature does not appropriately address the effect that the HR administration relationship has upon frontline employees', whether in-house or outsourced. Ulrich, Brockbank, Ulrich & Kryscynski (2015) suggest that it would be prudent for those companies who outsource their HR administration to reveal the effects of the competencies involved. However, the researcher found no evidence of studies completed, to address the relationship, impact or effect of HR administration services, either in-house or outsourced.

This chapter will present a discussion on the key findings and link the discoveries with the academic literature on employee engagement. In this study, two companies are surveyed and the results are based on two types of engagement; job engagement (relationship with the role) and organisation engagement (relationship with the company). Tests were undertaken to determine the effect on employee engagement levels when HR administration is outsourced or retained in-house. To understand which factors affect employee engagement, a regression model was produced using the scores from the scale

by Saks (2006). Prior to analysing the findings, this scale was tested for reliability and the results indicate a very strong reliability, with a value above 0.70 for every scale measured using the Cronbach alpha statistic procedure.

Histograms were produced and served to provide us with the frequency of score occurrences. In Figure 5 and 6, the magnitude of job engagement perception was calculated, similarly, in Figure 7 and 8, the magnitude of organisation engagement was calculated. While results show that engagement is high in both companies, a smaller percentage of employees answered positively, when responding to questions based on organisation engagement in the company who have outsourced their HR administration. Thereby indicating a reduced level of job engagement for the outsourced HR administration company as opposed to the company who have retained their HR administration in-house. While the difference is slight, it suggests less engaged employees in the outsourced company and assists in the understanding of the conceptual model for this study, (Figure 1.). This proposes that a perceived deficit in the quality of the service offering by the HR administration provider can lead frontline employees to reduce their own service offering to external customers and lead to a decrease in employee and customer engagement.

The two dependent variables, job engagement and organisation engagement are calculated separately for each company, for significant differences. See Tables 3, 5, 6, & 8. For both dependent variables, job and organisation engagement, the in-house company scored higher, indicating that while there is a difference between the companies, there is a greater effect on the engagement of frontline employees in the company that has outsourced their HR administration. This

links with the view that outsourcing is perceived as a major change and can affect engagement levels within a company.

The engagement pyramid model, Figure 20, was developed by Brown and Wilson (2005) and suggests that the stages of engagement are incremental, with fully engaged employees achieving engagement at the pinnacle. They assert that satisfaction is the most inert measure of engagement and is applicable to those employees who “only turn up for work” and who make little effort to go the extra mile (Albrecht, 2012).



**Figure 20: Brown and Wilson (2005) engagement pyramids**

Some may argue that employees are “engaged” if they demonstrate a positive attitude at work. However, Purcell et al., (2003) suggest that there must be a genuine sharing of responsibility between staff and management over issues of substance that affect the employees. The relationship that an employee has with their HR administration provider can be considered an issue of substance, as it can affect the psychological meaningfulness that mediates engagement. Khan (1990) has associated “psychological meaningfulness” with work elements that create incentives to personally engage. Consequently, where personal interaction with an HR administrator is not available, the employee feels no return on their physical, cognitive or emotional investment.

When employees turn to human resources with issues or problems and there is a remoteness or detachment in the relationship, it can affect their perception of

value in the company and in turn, may impact their engagement (Pahirathan, 2017). As reported by Schaufeli, Salanova, Gonzalez-Rom & Bakker (2002), loss of engagement with the job, also known as burnout, has extended to all professions and occupations. Engagement and its polar opposite, burnout is no longer exclusive to those who perform “human services” or to those professions that perform “people” work (Schaufeli, et al., 2002). Frontline employees who are expected to give superior customer service, expect the equivalent level of service and quality from their interactions with their HR administration provider and where this is flawed, it can lead to loss of engagement (Saatchian, et al., 2012).

An interesting observation from the results in this study is that only “organisational commitment” and “organisational citizenship behaviour (individual)” are greater in the outsourced HR administration company when the mean of variables is measured, as opposed to the HR administration in-house company, Table 20, Appendix 11. This could be because the outsourced company is a multinational with a well-known brand and these two peaks may be loyalty to the brand rather than to the organisation.

Correlations for significant association were conducted for both companies in order to examine the relationship between the independent variables and the dependent variables. Examining the relationship with job engagement; job satisfaction, organisation commitment, OCBI and OCBO, all returned a moderate positive correlation, which suggests that they all have a reasonable influence on job engagement, Table 9. However, intention to quit, returned a weak negative correlation, and as this is reverse coded in the survey, it suggests

a major influence with job engagement. When employees have lower job engagement, the higher the possibility that they may quit their job.

Similarly, correlations for significant association were conducted for both companies for organisation engagement. Results of the relationship with organisation engagement demonstrated that job characteristics, rewards and recognition, procedural justice, perceived organisational support and perceived supervisor support, all returned a strong positive correlation, Table 10. This suggests that they all hold a major influence on organisation engagement. Distributive justice returned a moderate positive correlation, which suggests a reasonable influence on organisation engagement. This is evidenced in scatterplots, Tables 9-19.

Within this study, simple linear regression was calculated in order to predict the effect of job engagement based upon job satisfaction, organisation commitment, intention to quit, OCBI and OCBO. These variables were measured as scales, Table 13. The independent variables that made a highly significant contributions to predicted job engagement were job satisfaction, ( $p= 0.001$ ) OCBI, ( $p= 0.002$ ) and OCBO, ( $p\leq 0.030$ ). The same cannot be said for organisation commitment and intention to quit, both of which made no significant contribution to predicted job engagement.

It came as a surprise that job satisfaction, OCBI and OCBO were significant predictors of job engagement. It is common knowledge that an employee can be satisfied at work (Spector, 1997) without being engaged with the role. Job engagement is much more than just turning up and leaving on time. If that is the only measure of job satisfaction, it is not enough to retain employees or

ensure productivity. However, in a study by Schaufeli, Taris and Van Rehenen (2007), they examined a sample of five hundred and seventy-eight managers and deduced that job engagement was positively related to job satisfaction. Both OCBI (organisational citizenship behaviour directed towards the organisation) and OCBO (organisational citizenship behaviour directed at individuals) were significant predictors of job engagement. The literature supports this link, as Khan (1990) explains that organisational citizenship behaviour could possibly yield job engagement from employees as their engaged state demonstrates positive behaviours and benefits motivation. Likewise, Ariani (2013), determined that those employees who contributed to their company with higher levels of organisational citizenship behaviour were found to have greater levels of job engagement.

Likewise, simple linear regression was calculated in order to predict the effect of organisation engagement based upon job characteristics, reward & recognition, perceived organisational support, distributive justice, procedural justice and perceived supervisor support. These variables were measured as scales, Table 16. The independent variables that made a highly significant contribution to predicted organisation engagement were job characteristics, ( $p=0.008$ ) rewards & recognition, ( $p=0.024$ ) and perceived organisational support, ( $p<=0.001$ ). However, distributive justice, procedural justice and perceived supervisor support made no significant impact on predicted organisational engagement. It is not surprising that job characteristics, rewards & recognition and perceived organisational support were significant predictors of organisation engagement. The personal understanding of an individual's job characteristics can permit a certain amount of autonomy at work, which contributes to greater



meaning in their role and more responsibility (Hackman & Oldham, 1980). The rewards & recognition scale used in this research, examined more than just financial rewards. It queried; opportunities for promotion and also praise from one's supervisor. Within the literature, reward & recognition is synonymous with greater organisation engagement. Cook (2008) states that fair remuneration and recognition from superiors are significant drivers of organisation engagement. In a similar vein, the perceived organisation support scale in this research queried the use of "employee voice" in the organisation. According to Truss et al., (2006), one of the main drivers of organisation engagement is for employees to have the opportunity to feed their view upwards.

## **Conclusion**

This chapter linked the findings of this research with the academic literature on the topic of engagement, and its effect on frontline employees who have experience of their HR function being retained in-house or outsourced to a third-party provider. The literature review revealed that there is no single agreed definition of engagement. This makes it difficult to measure as it is conceptualised by each individual differently. However, in this study, it was evident from the results that engagement levels were high in both companies, with the in-house company marginally ahead with a greater level of engagement.

Communication is a significant aspect to be considered when looking at the effect on frontline employees of outsourcing HR administration. Where open dialogue is encouraged, and the reasons for using an outsourcing service is

communicated, it creates a positive attitude and leads to collaboration and understanding by the employees (Lee & Kim, 1999; Sparrow, 2005).

In contrast, if communication or explanation is not given to employees, as to why an outsourcing service is being utilised, it can lead to negative feelings and emotions and stress for the employees (Prasad & Prasad, 2007). In order to prevent this scenario, communication of a satisfactory nature is necessary and should be included in any process involving the decision to outsource.

In the results chapter, we have observed a difference between the companies in job and organisation engagement levels. Albeit a slight difference, it goes some way to support the alternative hypothesis that: employee engagement for frontline employees whose HR administration is retained in-house is greater than for frontline employees whose HR administration has been outsourced. Therefore, we reject the null hypothesis.

## **Future Research**

The present study omits any measurement of performance by the employees as an outcome of the effect of outsourcing HR administration or where it is retained in-house. Future research could expand on this study by examining the association between performance and the impact and relationship of frontline employees with their HR provider.

Most available studies rely on the perception by the employees regarding the effect of HR administration outsourcing (soft data). Future research could identify if the effect of HR administration outsourcing affects the finances of the company through audited financial reports (hard data).

The focus to date in outsourcing HR administration has been on cost savings for the company. Future research could address the connection between the company's decision to outsource HR administration and the movement and value of the company share value.

In order to gain a deeper knowledge of the effect of change upon the frontline employees, there is a requirement for a qualitative approach which could give deeper insight into the individual employee and their specific strengths, weaknesses, tenacity, resilience and determination.

Finally, an area that would benefit from future research is the personal efficacy of each HR professional within the HR administration outsource provider and whether they are perceived as efficient or competent by the parent company or by the frontline employees' who avail of the service (Ulrich, et al., 2015).

## **Recommendations**

This research studied the effect upon the employee engagement of frontline employees' when HR administration is outsourced or retained in-house. The following recommendations are aimed at increasing or stabilising employee engagement levels in organisations where outsourcing has occurred.

Once the decision to outsource HR administration is made, there are many considerations that an organisation should contemplate, particularly with regard to engagement levels within the company. Consideration should be given to what, if any, the decision to outsource has upon the frontline employees in an organisation. Recommendations comprise of the importance of choosing the “right fit” in an outsource partner, that the decision to outsource is for the right reasons and that the message is communicated properly.

Choose the right outsource partner.

When considering an outsource partner, the parent company should consider the culture of the outsource provider and ensure that it resembles their own or can be adapted to facilitate the needs of the employees. Research carried out by Jeffay, et al., (1997) suggests that organisations who outsource their HR administration should treat the outsource provider as an internal service in order to gain the full benefit. Whereas, Klass et al., (2005) and Goody & Hall (2007) advise that when the service quality offering from the outsource provider is lacking, contracts are terminated and restored back in-house. The timeline for choosing the right outsource partner is at the “request for proposal” (RFP) stage when the financial risk is at its minimum. Costs will be based on the service level agreement (SLA) and what is agreed upon. The advantages of identifying

and matching cultural identity will be a smooth transition and an engaged workforce. In contrast, the risk of choosing the wrong outsource partner could have a detrimental effect on the HR administration service offering to frontline employees leading to a reduction in engagement, distrust in the system and cynicism on the frontline. If this occurs, the financial cost is abstract, it can result in decreased customer service offering by the frontline employees, which may affect the brand or brand loyalty by external customers and by default a financial cost to the bottom line.

Outsource for the right reasons.

Most companies consider outsourcing in order to create efficiencies and reduce costs. This is strategically important, and often follows from transformation and change, however, if cost is the only consideration, it can lead to a lack of interaction and a decrease of engagement by the employees. According to Brannemo (2006) and Ghassemieh et al., (2005) companies who decide to outsource their HR administration function, should consider their reasons and the intrinsic cost involved for employees. In order to gain full support and retain employee engagement, the company should consider the effect and impact on employees and communicate these issues in an open and frank discourse. The timeline for considering the reasons for outsourcing HR administration is once again at the conception stage or RFP stage. The financial cost forms part of the service level agreement and will be based on requirements specified within the SLA by the parent company.

Create an effective communication strategy

In discussion Elmuti (2003) mentions that in order to lessen any negative effect when outsourcing HR administration, organisations should create effective

communication across sections, departments, and outstations within the company. This would assist in maintaining performance, reduce insecurity for the employees, protect the reputation and brand of the company and create a good relationship between employees and the outsource provider.

It is vital to ensure two-way communication between employees and their managers, managers and the outsource provider and ultimately the employees and the outsource provider (Pawar, 2007). When communication has taken place, the parent company should nominate “champions” within the company who will promote the outsource provider to the general population of employees. The timeline for this action would be prior to the commencement of the service. The “champions” would then work in conjunction with the outsource provider to establish the benefits and the advantages that are available and communicate this accordingly to employees. The cost involved would be accounted for within the budget for outsourcing, however, the time given by the “champions” is invaluable, and will instil confidence in the outsourced service which in turn will promote engagement.

## 7. Conclusion

The researcher has attempted to explore and contribute to the understanding of the effect on the employee and their engagement levels when the HR function is outsourced or retained in-house. The literature review led the researcher down the path of theoretical models in organisational behaviour and this highlighted a gap in the literature regarding the effect on frontline employees' when HR administration is outsourced. All the studies reviewed so far, do not fully examine or explain if thought or input was given to the effect that the relationship with the HR service has on employee engagement. Based on the research, the majority of employees show high levels of engagement in both companies that were selected for this study, however, the level of engagement was greater in the company that retained their HR administration in-house.

To conclude, engaged employees care about the future of the company, feel a strong emotional bond with the organisation and are willing to invest discretionary effort. According to Dale Carnegie: *“people work for money but go the extra mile for recognition, praise and rewards”*. (Carnegie, 1953)

Employee engagement is a serious matter and organisations that promote job engagement and organisation engagement can achieve greater levels of employee collaboration, a higher quality of working relationships and improve the perception of the ethos and values of the organisation.

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## **9. Afterword**

I found writing this dissertation to be both interesting and instructive. I am very proud of the results I have accomplished and am pleased to complete my project.

The plan I had originally conceived in January changed during the course of my dissertation process. As I researched this topic, more and more interesting areas emerged and led to a completely different angle.

It was hard for me to let go of my original plans as so much effort had already been expended. My supervisor, Ms. Pauline Kelly-Phelan was nevertheless able to convince me that the research had to go in this new direction. Fortunately, I believed her. I have learned a great deal from both undertaking and processing the research. In addition, I have learned not to be afraid of unfamiliar terrain, as this is precisely where one learns the most.

Doreen Travers

Dublin, August 2018

## **10. Reflection (CIPD Requirement)**

I began this journey with trepidation, as a (very) mature student, enrolled under the National College of Ireland experiential learning programme. Having been successfully employed for over twenty-five years in Human Resources, I felt it was time to gain an official qualification and pursue a Master of Arts degree in Human Resources Management.

The NCI scheme (RPEL) recognises knowledge or experience that has been gained from work, life or previous studies and was suitable for me as I did not possess an undergraduate degree. I learnt so much! There may not be enough time or words to describe the satisfaction, exhilaration and joy that I experienced in this learning process.

Firstly, I had to learn the process and methods. When commencing a master's degree, it is assumed that you know how the system works, how to conduct research, how to present an assignment, how to review literature and if what you produce is actually what is required. When I look back at the beginning, I realise that I was "green as grass" and was getting through on my wits, which had served me well in my working life. I learned very quickly how to respond, research and to reference. Long hours and long days became the norm and the assignments became easier than exams. I approached each challenge as they came and gave my utmost to each endeavour. On the 19<sup>th</sup> May, I completed my last exam and began to prepare for my dissertation.

My knowledge and understanding of producing a proper dissertation were minimal. My proposal for the dissertation, submitted in January, offered little assistance except for the title "Human Resources Administration In-house or Outsourced". This, has been amended approximately three times so far. Yet, it offered me a starting point and a place to begin. My final research topic was "An investigation into the effect on employee engagement and satisfaction of frontline employees' when HR administration is outsourced or retained in-house.

Once the title was confirmed, I studied how to frame research objectives. This was in order to be able to identify surveys or questionnaires that would lend themselves to the questions that I needed answered.

My specific objective was: to investigate the effect that outsourcing HR administration or retaining HR administration in-house has upon frontline employees'. My sub-objectives were

1. To discover what effect the following factors, have on levels of job engagement; job satisfaction, organisational commitment, intention to quit and organisational citizenship
2. To explore the effect of the following factors on levels of organisation engagement; job characteristics, rewards and recognition, distributive justice, procedural justice, perceived organisational support and perceived supervisor support.
3. To offer recommendations on engagement that could be implemented by organisations to raise the level of employee engagement

These sub-objectives gave a multi-dimensional approach and allowed me to study the main aim in a more detailed manner.

The biggest challenge was the literature review. Selection and analysis of the appropriate literature was imperative and the collection and absorption of this secondary research within articles broadened my understanding and was a great learning experience. The programme Zotero allowed storing and filing of articles within folders and permitted the retrieval and recollection of the data at any time. This was a tremendous help as the analysis of articles was extensive and improved my knowledge in the subject under review.

Preparation and creation of the primary data collection tool, which in this instance was a questionnaire was enlightening and educational. It is an exercise that does not occur in normal day to day working life and was an innovative and unique experience for me. I have gained valuable primary research skills during this experience. While the primary data has been obtained by the use of a questionnaire, therefore quantitative research, analysis of the advantages and disadvantages of alternative primary data collection methods was considered and rejected. The choice of the most suitable sampling method, convenience

cross-sectional sampling was chosen following in-depth research into the most popular sampling methods. Using LimeSurvey made it easy for me and also for the participants responding to the survey.

Learning about research methodology was a rewarding procedure and enabled me to get a clear understanding of the various methodological groupings that can be used to conduct a research study. It aided my education on concepts, various terminologies and methods used in research.

Data analysis was the next chapter in the journey. This allowed me to learn a new skill of statistical methods and to gain an understanding of SPSS. The data analysis process was informative and enlightened me to the result and outcome of the primary research.

In addition to all of these new skills that have been mastered, I also learned to use my time wisely and to “write something every day”. There is only one way to eat an elephant, a bite at a time and I complete my journey with the submission of my dissertation.

# **11. Appendices**

## **Appendix 1 - Rules of engagement for survey participants**

The participants were made aware of the following:

- a) Participants will be invited to participate without coercion or pressure
- b) Respondents can participate in the survey voluntarily;
- c) Respondents can withdraw from the research study at any time
- d) Questionnaires will not contain any use of language that would be considered offensive or discriminatory;
- e) Confidentiality, privacy and anonymity of participants will be preserved at all times;
- f) Referencing of the work of others will be acknowledged by use of the Harvard referencing system according to the Dissertation Handbook
- g) The author will maintain high standards of integrity in research design and analysis within this research.

## **Appendix 2 – Survey Consent Form**

### **Consent Form**

You are invited to participate in a web-based online survey on Human Resources administration, outsourced or in-house. This is a research project being conducted by Doreen Travers, a student at National College of Ireland. It should take approximately \_\_\_\_ [minutes/hours/sessions] to complete.

### **Participation**

Your participation in this survey is voluntary. You may refuse to take part in the research or exit the survey at any time without penalty. You are free to

decline to answer any particular question you do not wish to answer for any reason.

## **Benefits and Risks**

You will receive no direct benefits from participating in this research study. However, your responses may help us learn more about the relationship between HR administration outsourced or in-house.

There are no foreseeable risks involved in participating in this study other than those encountered in day-to-day life.

## **Confidentiality**

Your survey answers will be sent to a link at LimeSurvey.com where data will be stored in a password protected electronic format. LimeSurvey does not collect identifying information such as your name, email address, or IP address. Therefore, your responses will remain anonymous. No one will be able to identify you or your answers, and no one will know whether or not you participated in the study.

## **Contact**

The results of this study will be used for scholarly purposes only.

If you have any questions about the research study, please contact me at [doreentravers@yahoo.com](mailto:doreentravers@yahoo.com)

## **Appendix 3 – Electronic Consent Form**

**ELECTRONIC CONSENT: Please select your choice below.**

Clicking on the “agree” button below indicates that:

- You have read the above information’
- You voluntarily agree to participate
- You are at least 18 years of age
- 

agree

disagree

If you do not wish to participate in the research study, please decline participation by clicking on the "disagree" button.



## Appendix 4 – Permission to use survey

Re: Permission to use Survey

AS

Alan Saks <saks@utsc.utoronto.ca>

25/06/18, 14:02

Doreen Travers

Inbox

All of the scale items are in the appendix of the paper and described in the measures section.

You have all you need to use it.

Alan Saks, PhD  
Professor, HRM  
University of Toronto

On 6/21/2018 12:38 PM, Doreen Travers wrote:

Dear Professor Saks,

My name is Doreen Travers and I am a student at the National College of Ireland (NCI). I am completing a Master's degree here at NCI and am undertaking a research dissertation in the area of HR Practices and their influence on employee engagement. I would be grateful for a little more detail around the scale that you administered in the Journal article: 'Antecedents and consequences of employee engagement'.

Could I kindly ask for a copy of that scale or direction to it within some alternative paper and permission to use the survey in my research?

I would be much appreciative of your help in this regard.

Looking forward to hearing from you.

Kindest Regards.

Doreen

## Appendix 5 - Survey Contents

### 1. Job Engagement

1. I really “throw” myself into my job.
2. Sometimes I am so into my job that I lose track of time.
3. This job is all consuming, I am totally into it.
4. My mind often wanders and I think of other things when doing my job (**reverse coded**).
5. I am highly engaged in this job.

### 2. Organisation Engagement

1. Being a member of this organisation is very captivating.
2. One of the most exciting things for me is getting involved with things happening in this organisation.
3. I am really not into the “goings-on” in this organisation (**reverse coded**).
4. Being a member of this organisation makes me come “alive.”
5. Being a member of this organisation is exhilarating for me.
6. I am highly engaged in this organisation.

### 3. Job Characteristics

1. How much autonomy is there in your job? That is, to what extent does your job permit you to decide on your own how to go about doing the work?
2. To what extent does your job involve doing a “whole” and identifiable piece of work? That is, is the job a complete piece of work that has an obvious beginning and end? Or is it only a small part of the overall piece of work, which is finished by other people or by automatic machines?
3. How much variety is there in your job? That is, to what extent does the job require you to do many different things at work, using a variety of your skills and talents?
4. In general, how significant or important is your job? That is, are the results of your work likely to significantly affect the lives or well-being of other people?
5. To what extent do managers or co-workers let you know how well you are doing on your job?
6. To what extent does doing the job itself provide you with information about your work performance? That is, does the actual work itself provide clues about how well you are doing aside from any “feedback” co-workers or supervisors may provide?

### 5. Rewards and Recognition

Please indicate the extent to which you receive the following outcomes for performing your job well:

1. A pay raise.
2. Job security.
3. A promotion.

4. More freedom and opportunities.
5. Respect from the people you work with.
6. Praise from your supervisor.
7. Training and development opportunities.
8. More challenging work assignments.
9. Some form of public recognition (e.g. employee of the month).
10. A reward or token of appreciation (e.g. lunch).

#### **5. Distributive Justice**

1. Do the outcomes you receive reflect the effort you have put into your work?
2. Are the outcomes you receive appropriate for the work you have completed?
3. Do your outcomes reflect what you have contributed to the organisation?
4. Are your outcomes justified given your performance?

#### **6. Procedural Justice**

1. Have you been able to express your views and feelings during those procedures?
2. Have you had influence over the outcomes arrived at by those procedures?
3. Have those procedures been applied consistently?
4. Have those procedures been free of bias?
5. Have those procedures been based on accurate information?
6. Have you been able to appeal the outcomes arrived at by those procedures?
7. Have those procedures upheld ethical and moral standards?

#### **7. Perceived Organisational Support**

1. My organisation really cares about my well-being.
2. My organisation strongly considers my goals and values.
3. My organisation shows little concern for me (reverse coded).
4. My organisation cares about my opinions.
5. My organisation is willing to help me if I need a special favour.
6. Help is available from my organisation when I have a problem.
7. My organisation would forgive an honest mistake on my part.
8. If given the opportunity, my organisation would take advantage of me (**reverse coded**).

#### **8. Perceived Supervisor Support**

1. My supervisor cares about my opinions.
2. My work supervisor really cares about my well-being.
3. My supervisor strongly considers my goals and values.
4. My supervisor shows very little concern form me (**reverse coded**).

#### **9. Job Satisfaction**

1. All in all, I am satisfied with my job.
2. In general, I do not like my job (**reverse coded**).

3. In general, I like working here.

**10. Organisational Commitment**

1. I would be happy to work at my organisation until I retire.
2. Working at my organisation has a great deal of personal meaning to me.
3. I really feel that problems faced by my organisation are also my problems.
4. I feel personally attached to my work organisation.
5. I am proud to tell others I work at my organisation.
6. I feel a strong sense of belonging to my organisation.

**11. Intent to Quit**

1. I frequently think of quitting my job.
2. I am planning to search for a new job during the next 12 months.
3. If I have my own way, I will be working for this organisation one year from now

**(reverse coded).**

**12. Organisational Citizenship Behaviour (Individual)**

1. How often do you?
2. Willingly give your time to help others who have work-related problems.
3. Adjust your work schedule to accommodate other employees' requests for time off.
4. Give up time to help others who have work or non-work problems.
5. Assist others with their duties.

**12. Organisational Citizenship Behaviour (Organisational)**

How often do you?

1. Attend functions that are not required but that help the organisational image.
2. Offer ideas to improve the functioning of the organisation.
3. Take action to protect the organisation from potential problems.
4. Defend the organisation when other employees criticize it.

**Additional Demographic Questions**

1. Please specify your gender?
2. Please specify your age? (scale measurement)
3. Please state your date of entry to the company?
4. What is your current employment status?
5. Are you a supervisor of employees?

## Appendix 6 – Regression tables for Job Engagement

The ANOVA, Table 8, reports how well the regression equation fits the data (i.e. predicts job engagement) and in this case, indicates that overall the regression model statistically significantly predicts job engagement,  $p < 0.05$ .

**Table 8: Regression significance for Job Engagement**

<b>ANOVA<sup>a</sup></b>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	20.546	5	4.109	14.101	.000b
	Residual	56.535	194	0.291		
	Total	77.081	199			
a. Dependent Variable: JobEngagement_CompositeScore						
b. Predictors: (Constant), Organisational Citizenship Behaviour Organisation Composite Score, Intention to Quit Composite Score, Organisational Citizenship Behaviour Individual Composite Score, Job Satisfaction Composite Score, Organisation Commitment Composite Score						

The coefficients, Table 9, provides the necessary information to predict job engagement based on the listed independent variables, as well as determine whether the list of independent variables contributes in a statistically significant manner.

**Table 9: Regression Results for Job Engagement**

<b>Coefficients<sup>a</sup></b>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-2.065	0.939		-2.200	0.029
	Job Satisfaction Composite Score	0.258	0.074	0.337	3.484	0.001
	Organisation Commitment Composite Score	0.068	0.069	0.099	0.997	0.320
	Intention to Quit Composite Score	0.080	0.064	0.129	1.262	0.208
	Organisation Citizenship Behaviour (Individual) Composite Score	0.195	0.061	0.210	3.178	0.002
	Organisation Citizenship Behaviour (Organisation) Composite Score	0.127	0.058	0.170	2.188	0.030

a. Dependent Variable: JobEngagement\_CompositeScore

## Appendix 7 – Regression tables for Organisation Engagement

The ANOVA, Table 15, reports how well the regression equation fits the data (i.e. predicts organisation engagement) and in this case, indicates that overall, the regression model statistically predicts organisation engagement significantly,  $p < 0.05$ .

**Table 15: Regression significance for Organisation Engagement**

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	60.713	6	10.119	30.780	.000 <sup>b</sup>
	Residual	63.447	193	0.329		
	Total	124.160	199			
a. Dependent Variable: OrgEngagement_CompositeScore						
b. Predictors: (Constant), PSS-Composite Score, Distributive Justice-Composite Score, Job Characteristics-Composite Score, Procedural Justice-CompositeScore, Rewards Recognition-Composite Score, POS-Composite Score						

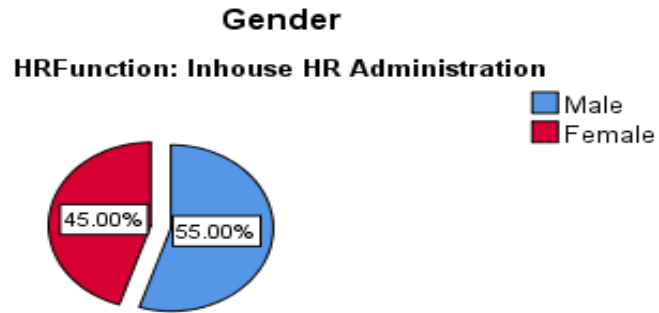
The coefficients, Table 16, table provides the necessary information to predict organisation engagement based on the listed independent variables, as well as determines whether the list of independent variables contributes in a statistically significant manner.

**Table 16: Regression Results for Organisation Engagement**

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-2.470	0.869		-2.842	0.005
	Job Characteristics Composite Score	0.201	0.076	0.177	2.659	0.008
	Rewards & Recognition Composite Score	0.183	0.080	0.174	2.274	0.024
	Distributive Justice Composite Score	0.008	0.051	0.011	0.161	0.872
	Procedural Justice Composite Score	0.112	0.076	0.114	1.476	0.142
	Perceived Organisational Support Composite Score	0.288	0.088	0.287	3.276	0.001
	Perceived Supervisor Support Composite Score	0.075	0.063	0.089	1.193	0.234
a. Dependent Variable: Organisation Engagement Composite Score						

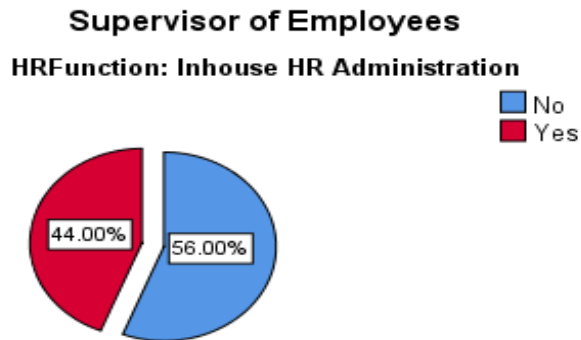
## Appendix 8 - Demographics, Company One, In-house

Table 17: Gender, Company One, In-house



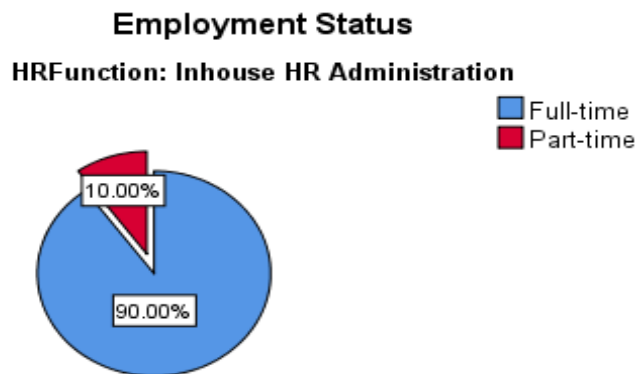
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Table 18: Supervisor of Employees, Company One, In-house



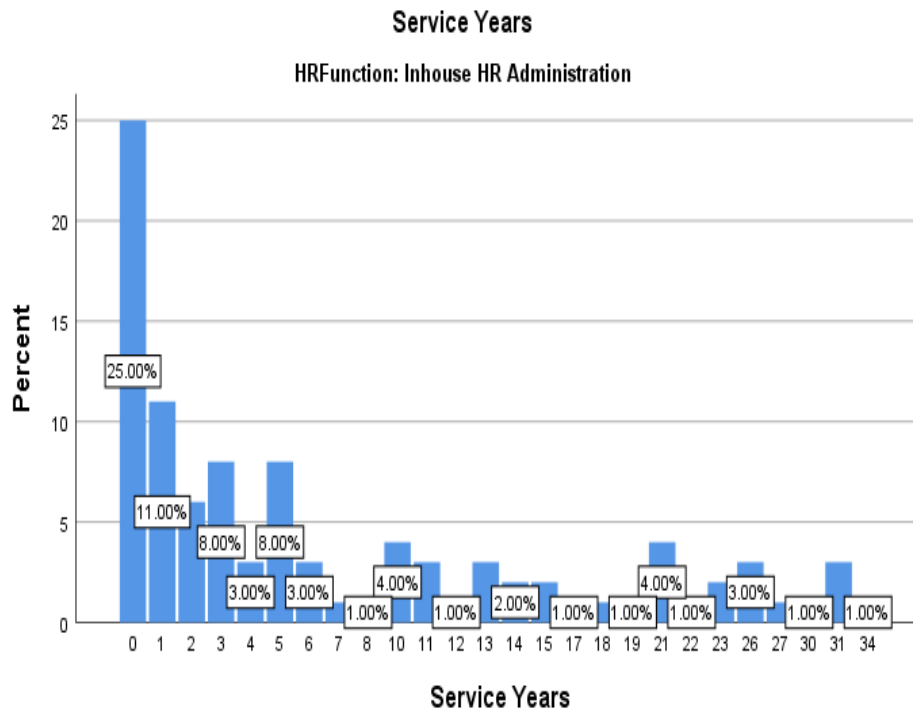
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Table 19: Employment Status, Company One, In-house

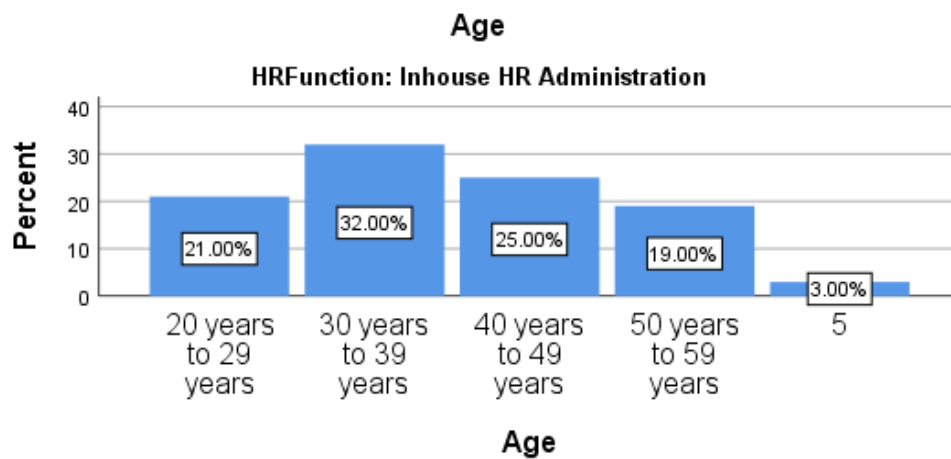




**Table 20: Service Years, Company One, In-house**

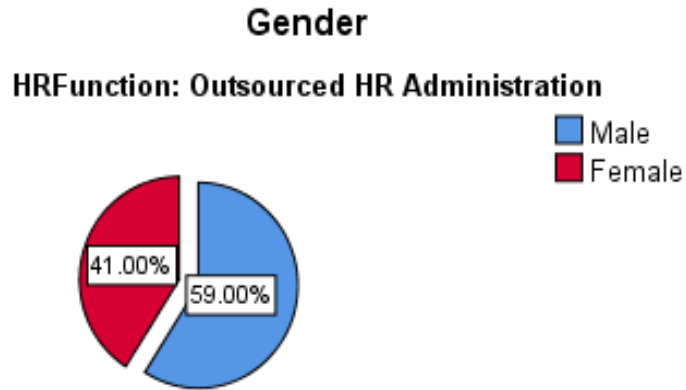


**Table 21: Age, Company One, In-house**



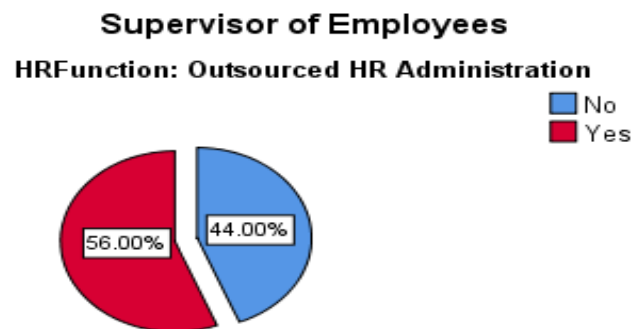
## Appendix 9 – Demographics Company Two, Outsourced

Table 22: Gender, Company Two, Outsourced



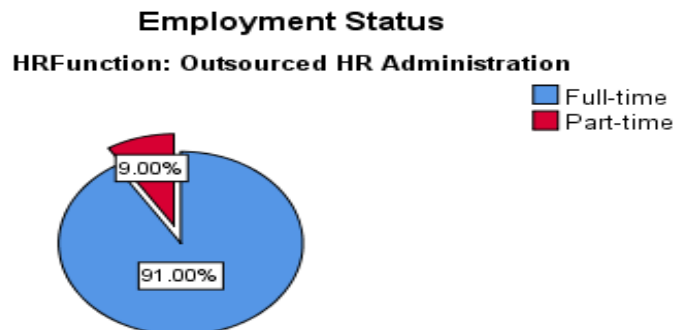
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Table 23: Supervisor of Employees, Company Two, Outsourced

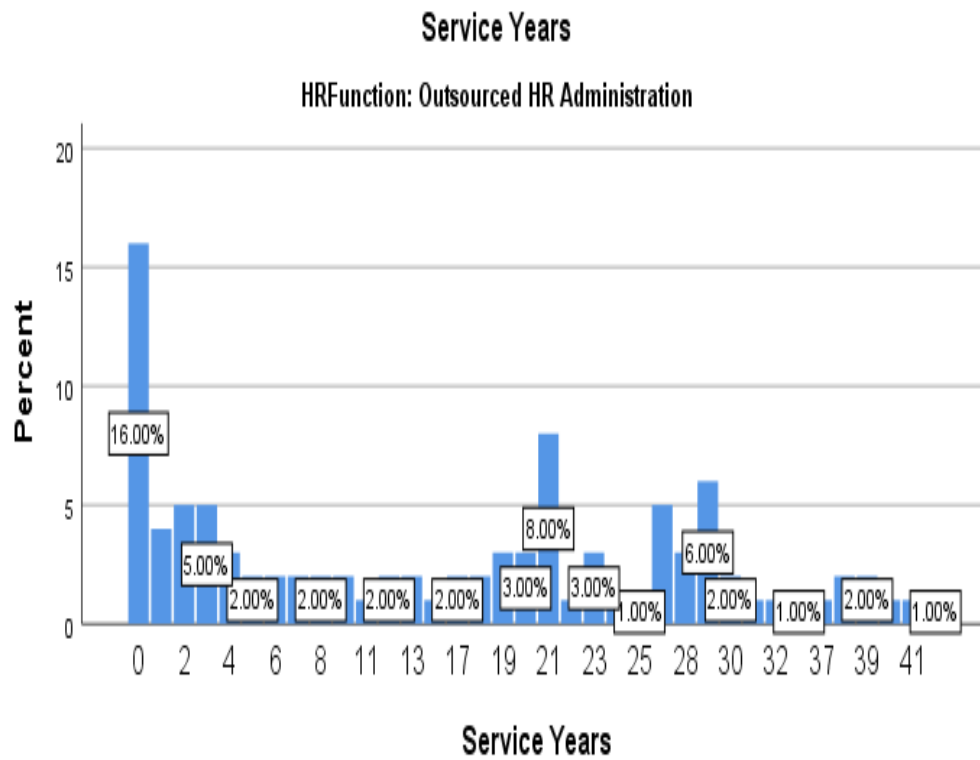


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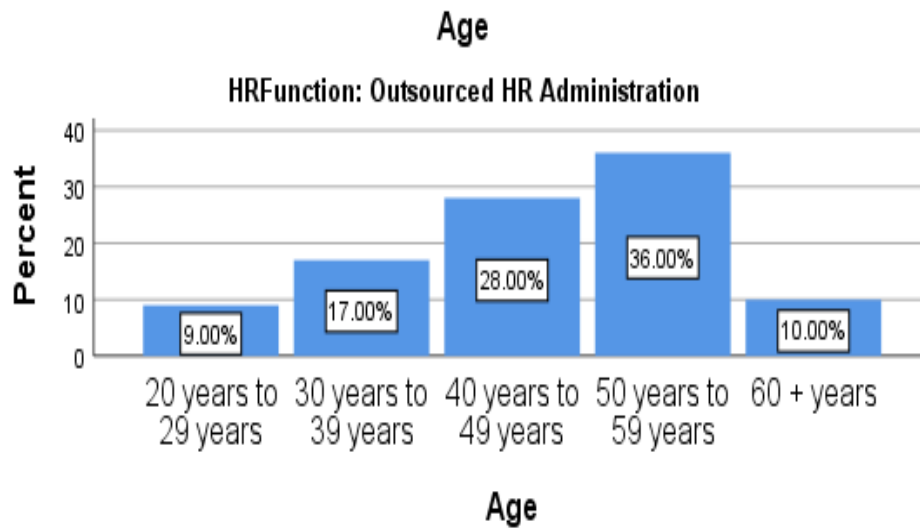
Table 24: Status of Employment, Company Two, Outsourced



**Table 25: Service Years, Company Two, Outsourced**



**Table 26: Age, Company Two, Outsourced**



## Appendix 10 – Internal Reliability of Survey Scales

**Table 27 Job Engagement**

Reliability Statistics	
Cronbach's Alpha	N of Items
0.715	5

**Table 28 Organisational Engagement**

Reliability Statistics	
Cronbach's Alpha	N of Items
0.877	6

**Table 29 Job Characteristics**

Reliability Statistics	
Cronbach's Alpha	N of Items
0.873	10

**Table 30 Rewards and Recognition**

Reliability Statistics	
Cronbach's Alpha	N of Items
0.741	6

**Table 31 Distributive Justice**

Reliability Statistics	
Cronbach's Alpha	N of Items
.951	4

**Table 32 Procedural Justice**

Reliability Statistics	
Cronbach's Alpha	N of Items
0.931	7

**Table 33 Perceived Organisational Support**

Reliability Statistics	
Cronbach's Alpha	N of Items
0.891	8

**Table 34 Perceived Supervisor Support**

Reliability Statistics	
Cronbach's Alpha	N of Items
0.897	4

**Table 35 Job Satisfaction**

Reliability Statistics	
Cronbach's Alpha	N of Items
0.821	3

**Table 36 Organisation Commitment**

Reliability Statistics	
Cronbach's Alpha	N of Items
0.92	6

**Table 37 Intention to Quit**

<b>Reliability Statistics</b>	
Cronbach's Alpha	N of Items
0.813	3

**Table 38 Organisational Citizenship Behaviour Individual**

<b>Reliability Statistics</b>	
Cronbach's Alpha	N of Items
0.844	4

**Table 39 Organisational Citizenship Behaviour Organisation**

<b>Reliability Statistics</b>	
Cronbach's Alpha	N of Items
0.814	4

## Appendix 11– Mean of Variables Table

**Table 40: Measurement of mean of variables**

<b>Mean of Variables</b>	<b>In-house</b>	<b>Outsourced</b>	
	<b>1</b>	<b>2</b>	<b>Scoring</b>
Average of Job Engagement Composite Score	3.842	3.586	1-5
Average of Organisation Engagement Composite Score	3.4415	3.1534	1-5
Average of Job Characteristics Composite Score	8.5535	8.3868	6-10
Average of Rewards & Recognition Composite Score	13.139	12.704	11-15
Average of Distributive Justice Composite Score	8.055	7.815	6-10
Average of Procedural Justice Composite Score	3.4173	3.2052	1-5
Average of POS Composite Score	3.6058	3.2346	1-5
Average of PSS Composite Score	3.86	3.6375	1-5
Average of Job Satisfaction Composite Score	3.7831	3.6702	1-5
Average of Organisation Commitment Composite Score	3.3166	3.3685	1-5
Average of Intention to Quit Composite Score	2.5099	2.5063	1-5
Average of Organisation Citizenship Behaviour Individual	13.815	13.835	11-15
Average of Organisation Citizenship Behaviour Organisational	13.3275	13.275	11-15