

**EMPLOYEE ENGAGEMENT IN MALAYSIA'S EDUCATION INDUSTRY:**  
**A SURVEY OF COSMOPOINT, KUALA LUMPUR**

A project paper submitted to the College of Business in partial fulfilment of the  
requirements for the degree of Master of Human Resource Management  
Universiti Utara Malaysia

By:

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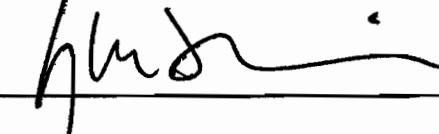
**EMPLOYEE ENGAGEMENT IN MALAYSIA'S EDUCATION INDUSTRY : A SURVEY  
OF COSMOPOINT, KUALA LUMPUR**

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## **ABSTRACT**

The purpose of this study is to determine and gain a better understanding of the three independent variables drivers namely employee communication, employee development and rewards and recognition that influence the employee engagement that dependent variable. This study was done among 103 exempt staffs in one education industry in Malaysia. Data were gathered through questionnaires and was being analyzed by using Statistical Package for Social Science (SPSS) version 12. Based on the analysis it was found that one of the independent variables namely rewards and recognition made significant contributions to employee engagement. Hierarchically, only these drivers were found to be among the strongest predictor variables to employee engagement in this industry. Recommendations and implications for future research and practice were also discussed.

## **ABSTRAK**

Kajian ini adalah bertujuan untuk menilai dan menambah pengetahuan terhadap tiga pembolehubah tidak bersandar iaitu komunikasi pekerja, pembangunan pekerja dan anugerah dan pengiktirafan yang mempengaruhi pembolehubah bersandar iaitu komitmen pekerja. Kajian ini telah di lakukan dan di kumpul terhadap 103 pekerja di dalam industry pendidikan di Malaysia. Data telah di perolehi melalui soalan dan telah di analisa menggunakan Statistical Package for Social Science (SPSS) versi 12. Hasil daripada analisa data, satu pembolehubah tidak bersandar iaitu anugerah dan pengiktirafan mempunyai hubungan positif terhadap komitmen pekerja. Oleh itu, daripada kajian ini hanya satu pembolehubah tidak bersandar yang mempunyai hubungan kuat dengan komitment pekerja di dalam industri ini. Cadangan dan implikasi untuk kajian lanjut juga dibincangkan.

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# CHAPTER 1

## INTRODUCTION

### 1.1. BACKGROUND OF THE STUDY

In recent years the term ‘employee engagement’ has been identified as a critical business driver that has the capability to impact an organization’s overall success. The concept of employee engagement is rapidly gaining popularity and use in the workplace and also is a task in itself because employee deals with not one but plenty of different individuals. In fact, many literatures have claimed that employee engagement predicts employee outcomes, organizational success and financial performance (Bates, 2004; Baumruk, 2004; Harter et al 2002; Richman, 2006).

There has been an increase of practitioner literature supporting that employee engagement positively impact on their organization’s performance and sustainability (TowerPerrin-UK, 2006). The review indicates that there are more employees who are disengaged or not engaged than there are engaged employees. Even though this, many organizations believe that engagement is a principal source of competitive advantage. Results from corporate organizational indicate that there should be a strong relationship between engagement, employee performance and business outcomes. The key drivers of employee engagement identified include communication, employee development, reward and recognition, leadership, job satisfaction and etc. Whilst key drivers of engagement have been identified it is also clear that ‘one size does not fit all’.

Employee engagement is defined as the extent to which employees commit to something or someone in their organization, how hard they work and how long they stay as a result of that commitment (Corporate Leadership Council, 2004). Research shows that the connection between an employee job and organizational strategy, including understanding how important the job is to the firm success, is the most driver of employee engagement. In fact, employees with the highest levels of commitment perform 20% better and are 87% less likely to leave the organization, which indicates that engagement is linked to organizational performance (ibid).

An engagement employee is aware of business context, and works with colleagues to improve performance within the job for the benefit of the organization. The organization must work to develop and foster engagement, which requires a two way relationship between employer and employees. Thus, employee engagement is an indicator that determines the association of a person with the organization. It takes little arguments on a theoretical level to convince a business, that employees who are more committed or engaged, work harder and smarter, and will be better for the company than those who turn up and do merely what they are obliged to do (Gallup Research Report, 2003).

According to TowerPerrin (2003), companies with higher levels of employee engagement outperform their competitors in terms of profitability. They proceed to state that managers must first understand what engages their employees and what factors drives engagement in their companies.

However different organizations define engagement differently, some common themes emerge. These themes include employees' satisfaction with their work and pride in their employer, the extent to which people enjoy and believe in what they do for work and the perception that their employer values what they bring to the table. The greater an employee's engagement, the more likely he or she is to 'go the extra mile' and deliver excellent on-the-job performance. In addition, employee engagement may be more likely to commit to staying with their organization. Ramsay (2006) found that highly engaged employees are 1.3 times more likely to be high performers than less engaged employees. They are also five times less likely to voluntarily leave the company.

Employee engagement is a complex concept, with many issues influencing engagement levels. Therefore, there are many pathways to foster engagement, with no one can fits all organizations. While each company may define employee engagement differently, ultimately, the key to effective engagement will be rooted in the flexibility of approach appropriate for each individual firm. For example, each organization may consider the best practice and then determine the likely outcome of this practice in the workplace. Further, employee engagement can be a deciding factor in organizational success. Not only does engagement have the potential to significantly affect employee retention, productivity and loyalty, it is also a key link to customer satisfaction, company reputation and overall stakeholder value. Thus, to gain a competitive edge, organizations are turning to set the agenda for employee engagement and commitment.

### **1.1.1. Link between employee engagement and business performance**

A growing body of research is linking high employee engagement to business performance.

For example:

- TowerPerrin (ISR) found that high-engagement firms experienced an EPS (earning-per-share) growth rate of 28% compared to an 11% decline for low-engagement firm.
- Gallup's research indicates that public organizations ranking in the top of employee engagement had EPS growth of 2.6 times the rate of those was below average. At the same time, the firm estimates that disengaged employees cost U.S. companies as much as \$350 billion annually in lost productivity.
- Electronics retailer Best Buy reports that stores which increase employee engagement by \$100,000 increase in sales for the year.
- The Corporate Leadership Council (2004) revealed that highly engaged employees had overall performance score 20% higher scores than those of employers with average levels of engagement.

## **1.2. RESEARCH PROBLEM**

Dramatic changes in the global economy, speed to the market, the need for ever increasing efficiency and employee retention have had significant implications for commitment between employee and employers and thus for employee engagement. Employee engagement is growing as more important construct, driving and influencing important factors of a business.

Many organization struggles with measuring and improving engagement levels in their organization. The high number of corporate restructurings, technological advances and competitive pressures that began early 1980 has impacted on current work practices by revolutionizing the structure of organizations, the term and conditions of work and redefining the relationship between employees and employer (Welbourne, 2007). Therefore, it is important for organization to have a strong understanding of engagement in order for them to be successful. The study will look the factors that influence employee engagement in organizations and use it for their advantage.

It is reported that employee engagement is on the decline and is a deepening disengagement among employee worldwide today (Bates, 2004; Richman, 2006). However, The Gallup Research Report (2003) calculated that actively disengaged workers are 10 times more likely to say they will leave their organizations within a year (48%) than engaged staff (4%). Their 2003 survey in the US and Canada of 1000 workers found that only a quarter were actively engaged in their work with a huge group of between 56% and 60% not engaged and 17% actively disengaged. Gallup's research estimates that actively disengaged (uncommitted) workers cost US businesses between \$270 and \$343 billion a year due to low productivity.

On other hand, findings have indicated that engagement is needed for high level performance and consultant studies estimate that only 14 percent to 30 percent of the employees are engaged to work (Welbourne, 2007). However, every employer wants to get their employee engaged. Till now, in the face of interest in improving engagement, people still disagree

about what is employee engagement, how to getting it and what it looks like when it achieved (Welbourne, 2007).

From Hewitt's Talent and Organization Consulting Analytics Practice in Asia, turnover was highest at 39 percent of total attrition in Asia. This is largely due to a recent wave of growth opportunities and a booming job market in Asia. Employees tend to be nearing the end of their careers, which they are more averse to risk and more likely to move opportunities that are substantially better (Hewwit, 2006). Attracting and retaining key talent in one of the key drivers to ensure they stay. According to the study, organization should believe factors such as career development, training, reward and recognition make people stay, those factors to be coupled with competitive pay to retain key talent. Further pay decisions should be based on reliable market data. The total reward package should appropriately reflect market practice in term of both the level and the format of the overall reward package.

Not all employees are only look for a higher salary however, so in addition to making pay competitive, organizations need to create a performance culture if they wish to retain them. Companies should make employees in the development of skills at all levels. They should be strengthening managerial capability, designing high-potential programs for identified key talent, honest and timely communication program that addresses career prospects for employees and also builds leadership commitment.

As the economy recovers and workforce expansion rises, concerns about engaging employees, organization must invest in its human resource practices, able to think about how much

engagement and commitment the company wants and at what cost. Organization must truthfully understand what are the factor that determined the employee engagement so that they can implement more effective practices to enhance their employee engagement in the organization. Higher levels of engagement can be a result of organizations that creatively seek a balance between responding to employee needs and coping with cost pressures. Employees desire to preserve their jobs may have also contributed to higher engagement levels demonstrated by a willingness to go the extra mile, be flexibility and embrace change.

However, disengaged employees, on the other hand, disconnect themselves from work roles and withdraw cognitively and emotionally. Disengaged employees display incomplete role performances and task behaviors become effortless, automatic or robotic (Hochschild, 1983). Disengaged employee will cost an organization such as lower productivity, higher absenteeism and turnover, training cost and recruitment. With the current global economic now, management is zooming into organization effectiveness and minimizing all operating cost. Therefore, with the higher engaged employees will help the organization focusing to improve productivity in a global environment where intense competition is constraining profit margins and where attracting and retaining the right people is becoming increasingly difficult, the concept of employee engagement takes on new appeal.

In order to the market is getting competitive among the similar industry in term of operating margin, to produce exceptional graduates with specialized knowledge grounded with real world practice skills and successful future, it is crucial for Cosmopoint Sdn Bhd to formulate and strengthen its competitive advantage in order to continue in the market and the action plan

for 2010/11 to escalated to include a more human resource driven focus which includes; career development programmes, grading and salary issues, re-induction programmes, performance management and lifestyles balance programmes of becoming the best company among the industry. Therefore, this study is intended to find out what are the drivers that impact the employee engagement level in Cosmopoint Sdn Bhd.

### **1.3. RESEARCH QUESTIONS**

This research was conducted to find the relationship of the independent variables, which are employee communication, employee development and reward and recognition with the dependent variable, which is the employee engagement. Therefore, this study intends to answer the following questions:

1. Is there a relationship between employee communication and employee engagement?
2. Is there a relationship between reward and recognition and employee engagement?
3. Is there a relationship between employee development and employee engagement?
4. Which among the three independent variables is the most important driver to employee engagement?

#### **1.4. RESEARCH OBJECTIVES**

The main objective of this study is to determine which variables contribute to employee engagement. Specifically, the objectives of the study are listed below:

1. To determine the relationship between employee communication and employee engagement.
2. To determine the relationship between reward and recognition and employee engagement.
3. To determine the relationship between employee development and employee engagement.
4. To identify which among the three independent variables is the most important driver to employee engagement.

#### **1.5. SIGNIFICANCE OF THE STUDY**

The significance of this study can contribute many advantages to many parties. This study can provide the management understanding on which factors that could affect the employee engagement in the context of Cosmopoint Sdn Bhd, in which eventually attempting to enhance organization performance and make a profitable entity. This study is important to

contribute to better understanding for employers on how important employee engagement. It will help companies to make some changes based on the result of this research. This study also can contribute such as corporate strategy, business unit level in forming their business strategy and the analytical and empirical researches.

This study aimed to provide the management a comprehensive view about employee engagement and an understanding that employee engagement and an understanding that employee engagement is the key dominator in any organization success. This is because employer still needs to have highly engaged employee in organization to achieve higher productivity (Welbourne, 2007).

A further study of employee engagement will be a value to the companies and the human resources field. Firstly, this is one of many attempts to improve and increase the importance of this concept so that it is in the forefront of the HR agenda and also enabling companies and the HR community to proceed with concrete debates grounded with theory on the matter. Secondly, the study itself will hopefully assist those to implement this concept in their companies on the best practice in how to do so and to understand the approaches to be taken in order to enhance the level of its employee engagement. Finally, this study also aims to add to the body of knowledge that exists locally and globally, help HR practitioners understand what factors influence the employee engagement and can be used as one of the references or guidance for future research as well as enriching the literature in human resource management.

## **1.6. SCOPE OF THE STUDY**

In order to achieve the research objective set above, a survey will be carried out involving distribution of questionnaire amongst employees in Cosmopoint Sdn Bhd, Kuala Lumpur's staff. Hence, the researcher will study on employee communication, employee development and reward and recognition and factors that contribute to the employees' engagement. Therefore, measure such as employee communication, employee development and reward and recognition will be evaluated in a specified context of use among employees of Cosmopoint Sdn Bhd's staff. The respondents are at various levels such as support staff and management staff.

## **1.7. LIMITATION OF THE STUDY**

Limitations arisen in designing and application of previous study may influence in this research study. It is attempted to minimize the impact of limitations as much as possible, but it is necessary from a contextual perspective to realize that some issues were unavoidable.

The first and obvious limitation of the study is that the sample size is was relatively small, which only 103 respondents able to complete the questionnaire, so these sample may have generated results that will not sufficient and representative to reflect the factor that influence employee's engagement. The first limitation is highly affected by the second limitation of this study, where the findings are based on the use of questionnaire survey data. This may be

affected by response biases, where some of the items in the questionnaire unable to relate to some of the respondents.

### **1.8. ORGANIZATION OF THE CHAPTER**

This study is organized by chapters for better understanding about the systematic view of factors that influence on employee engagement.

Chapter 1 consist the background of the study as an introduction, the problem statement, research questions, research objectives and the significance of the study.

Chapter 2 will explains analysis of literature reviews based on previous researchers' ideas, opinions and recommendations by analyzing previous journals and articles.

Chapter 3 explains about research methodology of the study, which analysis of the hypotheses based on the research study, explains the measurement of data analysis and the development of the questionnaire for the research.

Chapter 4 will explains about analysis result based on observation and distribution of questionnaire, which data is gathered and analyze by using SPSS software. The results are summarized in a number of tables to facilitate interpretation.

Chapter 5, the final chapter, explains about research discussions and conclusions of current research and also recommendations for future study. The findings for this study are compared to those found in past research reviewed in Chapter 2.

## **CHAPTER 2**

### **LITERATURE REVIEW**

#### **2.1. INTRODUCTION**

This chapter begins by presenting some empirical studies on employee engagement. This includes what is engagement, the importance of employee engagement, the level of engagement, the driver of employee engagement and conclusion.

#### **2.2. WHAT IS ENGAGEMENT?**

Ostler in the Oxford Dictionary (1998) describes 'engagement' as a noun for 'employ or hire'. The definition of engagement is relatively unclear (Dalal, Brummel, Wee & Thomas, 2008; Saks, 2008). Fortunately, engagement at work was conceptualized by Kahn, (1990) as the 'harnessing of organizational members' selves to their work roles. In engagement, people employ and express themselves physically, cognitively and emotionally during role performances. Employee engagement is the level of commitment and involvement an employee has towards their organization and its values. It is also focuses on how the psychological experiences of work and work contexts shape the process of people presenting and absenting themselves during task performance (Kahn, 1990).

Kahn (1990) suggested that for psychological engagement and organizational behaviors, the two major dimensions are emotional and cognitive engagement. To be emotionally engaged is

to meaningful connections to others and to experience emphasize and concern for others' feelings. In contrast, being cognitively engaged refers to those who are acutely aware of their mission and role in the work environment. According to Kahn (1990, 1992) employees can be engaged on one dimension and not the other. However, the more engaged an employee is on each dimension, the higher his or her overall personal engagement.

In opposition, Kahn (1990) defined disengagement as, 'the uncoupling of selves from work role, in disengagement, people withdraw and defend them physically, cognitively or emotionally during role performance'. Consequently, Kahn (1990) regards engagement to mean to be 'psychologically present' when occupying and performing an organizational role.

Some researchers define engagement as the opposite or positive antithesis of burnout. According to Maslach et al. (2001), engagement is characterized by energy, involvement and efficacy, the direct opposite of the three burnout dimensions of exhaustions, cynicism and inefficacy. Research on burnout and engagement has found that the core dimensions of burnout (exhaustion and cynicism) and engagement (vigour and dedication) are opposites of each other.

Most often employee engagement has been defined as emotional and intellectual commitment to the organization (Baumruk 2004, Richman 2006 and Shaw 2005) or the amount of discretionary effort exhibited by employees in their job (Frank et al 2004). However, acknowledge and accepted that employee engagement is a multi-faceted construct, as previously suggested by Kahn (1990), Truss et al (2006) define employee engagement simply

as 'passion for work', a psychological state which is seen to encompass the three dimensions of engagement discussed by Kahn (1990), and captures the common theme running through all these definitions.

Robinson, Perryman & Hayday (2004) explain that employee engagement most appropriately as positive attitude held by the employee towards the organization and its values. An engaged employees is aware of business context and works with colleagues to improve performance within the job for the benefit of the organization. The organization must work to develop and nurture engagement, which requires a two-way relationship between employer and employee.

From Employee Engagement Survey by the Corporate Leadership Council (2004) which employee commit to someone or something in their organization and try to work hard or long they stay as a result of that commitment. That means employee engagements are emphasized on employee cognitive connection to work and subsequently behavior that they demonstrate on the job commitment and satisfaction that employee is willing to work hard.

Saks (2006) argues that organizational commitment also differs from engagement in that it refers to a person's attitude and attachment towards their organization, whilst it could be argued that engagement is not simply an attitude, it is the degree to which an individual is give attention to their work and absorbed in the performance of their role. In additional, voluntary and informal behaviors can helps co-workers and the organization, the main focus of engagement is one's formal role performance rather than purely extra-role and voluntary behavior.

Finally, Bates (2004) and Gubman (2004) generally refer to engagement as a sensitive emotional attachment to one's work, organization, manager and co-workers. Both of them are focuses on the emotional attachments. However, Baumruk (2004) straddles the cognitive and emotional approaches by defining engagement as 'the state in which individuals are emotionally and intellectually committed.

### **2.3. PAST RESEARCH ON EMPLOYEE ENGAGEMENT**

One of the most influential studies of engagement was carried out by Kahn (1990). Conceptually, Kahn began with the work of Goffman (1961) who proposed that, 'people's attachment and detachment to their role varies' (Kahn, 1990). However, Kahn argued that Goffman's work focused on temporary face-to-face encounters, while a different concept was needed to fit organizational life, which is 'ongoing, emotionally charged and psychologically complex' (Diomand and Allcorn, 1985).

In his study on the psychological conditions of personal engagement and disengagement at work, Kahn (1990) found that there were three psychological conditions associated with engagement or disengagement at work; meaningfulness, safety and availability. Workers were more engaged at work situations that they have received more psychological meaningfulness and psychological safety and when they were more psychological available. That three psychological were significant related to engagement. From study empirical test Kahn's (1990) model, May et al. (2004) also found job enrichment and role fit were positive

predictors of meaningfulness, rewarding co-worker and supportive supervisor relations were positive predictors of safety. However co-worker norms and self-consciousness were negative predictors and resources available was a positive predictor of psychological availability while participation in outside activities was a negative predictor.

Another studies from Kahn (1990) and Maslach et al (2001) models indicate the psychological conditions or antecedents that are necessary for engagement, but they do not fully explain why individuals will respond to these conditions with varying degrees of engagement. According to Saks (2006), explaining employee engagement can be found in social exchange theory (SET). Employees will choice to engage themselves to varying degrees and in response to the resources they received from their organization. Employees feel appreciate to repay the organization with greater levels of engagement and they are more likely to disengage from their roles if organization fails to provide these resources. A basic principle of SET is that relationships develop over time into trusting, loyal and mutual commitments.

In summary, SET provides a theoretical foundation to explain why employees choose to become more or less engaged in their work and organization. In term of Kahn (1990) definition of engagement, employee feel obliged to bring themselves more deeply into their role performances as repayment for the resources they receive from their organization. When organization fails to provide these resources, individuals are more likely to withdraw and disengage themselves from their roles. Thus, the amount of cognitive, emotional and physical

resources that an individual is prepared to devote in the performance of their work role may be contingent on the economic resources received from the organization.

In survey conducted by Hewitt (2005) for the annual list of the 50 Best Employers to work for in Canada, results showed that employees of those companies, were on average 21% more engaged than employees of other organizations. In fact, it was found that the 'best employers' have an 80% engagement score compared to 59% at other participating organizations. According to Hewitt (2005), enhancing employee engagement creates a 'win-win' situation. Employees are happier and more productive and this ultimately leads to a positive impact on business results.

The other model of engagement comes from the burnout literature which describes job engagement as the positive antithesis of burnout noting that burnout involves the erosion of engagement with one's job (Maslach et al., 2001). According to him, six areas of work-life lead to burnout and engagement: workload, control, reward and recognition, community and social support, perceived fairness and values. Like burnout, engagement is expected to mediate the link between these six work-life factors and various work outcomes. They argue that job engagement is associated with a sustainable of six work-life factors. Like burout, engagement is expected to mediate the link between these six work-life factors and various work outcomes. May et al's (2004) findings support Maslach et al's (2001) idea of meaningful and valued work being associated with engagement and therefore it is important to consider the concept of 'meaning'.

According to Holbeche and Springett (2003), people's perceptions of meaning with regard to the workplace are clearly linked to their levels of engagement and, ultimately, their performance. They argue that employees actively seek meaning through their work and unless organizations try to provide a sense of meaning, employees are likely to quit. From the research they found that 70% people experience a greater search for meaning in the workplace than in life in general (*ibid*). This is because people generally spend more time at work than on other parts of their lives. Holbeche and Springett (2003) argue that high levels of engagement can only be achieved in workplaces where there is a shared sense that connects people at an emotional level and raises their personal aspirations.

The Gallup Organization (2004) found that critical links between employee engagement, customer loyalty, business growth and profitability. They compared the scores of these variables among a sample of stores scoring in the top 25 percent on employee engagement and customer loyalty with those in the bottom 25 percent. Gallup cites numerous examples that scores in the bottom 25 percent significantly under-performed across three productivity measures, turnover, sales and customer complaints. The International Survey Research (ISR) team has also found encouraging evidence that organizations can only reach their full potential through emotionally engaging employees and customers (ISR, 2005). In 2005, a survey conducted in Thailand revealed only 12% of Thailand's employee population are 'engaged', 82% are 'actively disengaged' and 6% disengaged. Similar Gallup studies have found the levels of engagement in Australia, China, Japan, New Zealand and Singapore to be 18%, 12%, 17% and 9% respectively (Gallup 2004).

The research that considered engagement within the employee work role form Harter et al (2002, 2003) refer to employee engagement as occurring when individuals are emotionally connected to others and cognitively alert and understand that 'the individual's involvement and satisfaction as well as enthusiasm for work' (Harter et al, 2002). In this model by Harter et al. (2003), employee engagement by four antecedent elements deemed necessary for engagement to occur within the workplace include: (a) clarity of expectations and basic materials and equipment being provided, (b) feelings of contribution to the organization, (c) feeling a sense of belonging to something beyond oneself, and (d) feeling as though there are opportunities to discuss progress and grow. The measurement of employee engagement focuses on these antecedent elements.

In summary, most of the available information (from no academic sources) indicates a strong relationship between engagement and organization performance. Specifically, practitioner research has indicated a strong relationship between engagement and productivity, employee attraction and retention, and on levels of customer engagement and satisfaction.

#### **2.4. IMPORTANCE OF ENGAGEMENT**

Engagement is important for managers to cultivate given that disengagement is central to the problem of worker's lack of commitment and motivation (Ashok 2005). An organization's capacity to manage employee engagement is closely related to its ability to achieve high performance levels and superior business results, Vazirani (2007) has outlined some of the advantages of engaged employees as:

- Engaged employees will stay with the company, contribute to bottom line, and can be promote of the company and its products and services.
- Engaged employees will normally perform better and more motivated
- Engaged employees will increases employees' trust in the organization
- Engaged employees will be significant link between employee engagement and profitability.
- Engaged employees will creates a sense of loyalty in a competitive environment
- Engaged employees will makes the employees effective brand ambassadors for the company.
- Engaged employees will boosts business growth

A highly engaged employee will consistently deliver beyond expectations. In the workplace research on employee engagement (Harter, Schmidt & Hayes, 2002) have repeatedly asked employees 'whether they have the opportunity to do what they do best everyday'. While on in five employees strongly agree with this statement. Those work units scoring higher on this perception have substantially higher performance.

Thus employee engagement is critical to any organization that seeks to retain valued employees. The Watson Wyatt consulting companies has been proved that there is an intrinsic link between employee engagement, customer loyalty and profitability. Each organization become more dependent on technology in a virtual working environment, there

is a greater need to connect and engage with employees to provide them with an organizational ‘identity’ (Vazirani, 2007).

## **2.5. LEVELS OF ENGAGEMENT**

Engaged employees work harder, are more loyal and are more likely to go the extra mile for the corporation. There are different levels of engagement (Figure 2.1) and understanding the type of engagement provides perspective into employee engagement behaviors that can either positively or negatively affect organizational success. Employee engagement can be considered as cognitive, emotional and behavioral. Cognitive engagement refers to employees beliefs about the company, its leaders and the workplace culture. The emotional aspect is how employees feel about the company, the leaders and their colleagues (Konrad, 2006).

Employees who are highly involved in their work processes such as designing, conceiving and implementing workplace and process changes are more engaged. From the previous literature, the link between high-involvement work practices and positive beliefs and attitudes associated with employee engagement and generating behaviors leading to enhanced performance an important driver for business success (Ibid). For example, a recent study analyzed 132 U.S manufacturing firms and found that companies utilizing high-performance work systems had significantly higher labor productivity than their competitors. When employees have the power to make decisions related to their performance, can access

information about company costs and revenues, and have the necessary knowledge, training and development to do their job and are rewarded for their efforts and more productive (Ibid).

Another critical factor related to employee engagement is employee health. Conditions that support health and psychological well-being are open communication, trust, respect, teamwork and positive work relationships. The Gallup Organization, a leader in employee engagement research (2005), found that employee physical health and psychological well-being affect the quality and quantity of work. For example, 62% of engaged employees feel their work positively affects their physical health. The number drops to 39% among non-engaged employees and to 22% among employees who are actively disengaged. In addition, 54% of disengaged employees say their work has a negative effect on their health and 51% see a negative effect on their well-being. The implication is that engaged employees are more likely to view the organization and job as a healthy environment and therefore more likely to support the organization (The Gallup Organization, 2006).

Engaged employees: work with passion and feel a profound connection to their company.

They drive innovation and move the organization forward.

Not engaged employees: are essentially checked out. They sleep walking through their work day, putting time not energy or passion into their work.

Actively disengaged employees: are not just unhappy at work, there is busy acting out their unhappiness. Every day, these workers undermine what their engaged co-workers accomplish.

*Source: Adapted from "Engaged employees inspire company innovation". (2006). Gallup Management Journal, <http://gmj.gallup.com>*

**Figure 2.1**

*Levels of engagement*

## **2.6. DRIVERS OF ENGAGEMENT**

According to Robinson (2004), the strongest driver of engagement is a sense of feeling valued and involved. Once created the engaged work environment, it will have a positive impact on employee behavior and attitudes. This has several key components; involvement in decision making, the extent to which employees feel able to voice their ideas and managers listen to these views, and value employees' contributions, the opportunities employees have to develop their jobs and the extent to which the organization is concerned for employees' health and wellbeing.

From DDI's model of engagement drivers. Each organization needs to hire people that fit the job specification, develop leaders with the right skills and provide support through strong strategies. According to Wellins, Berthal and Phelps (2005) together, the engagement drivers

lead to the creation of an engaged workforce and environment. Once created, the engaged work environment has a positive impact on employee behavior and attitudes. More specifically, to make employees stay in organization, employers have to build loyalty in employees by meeting their personal and practical needs.

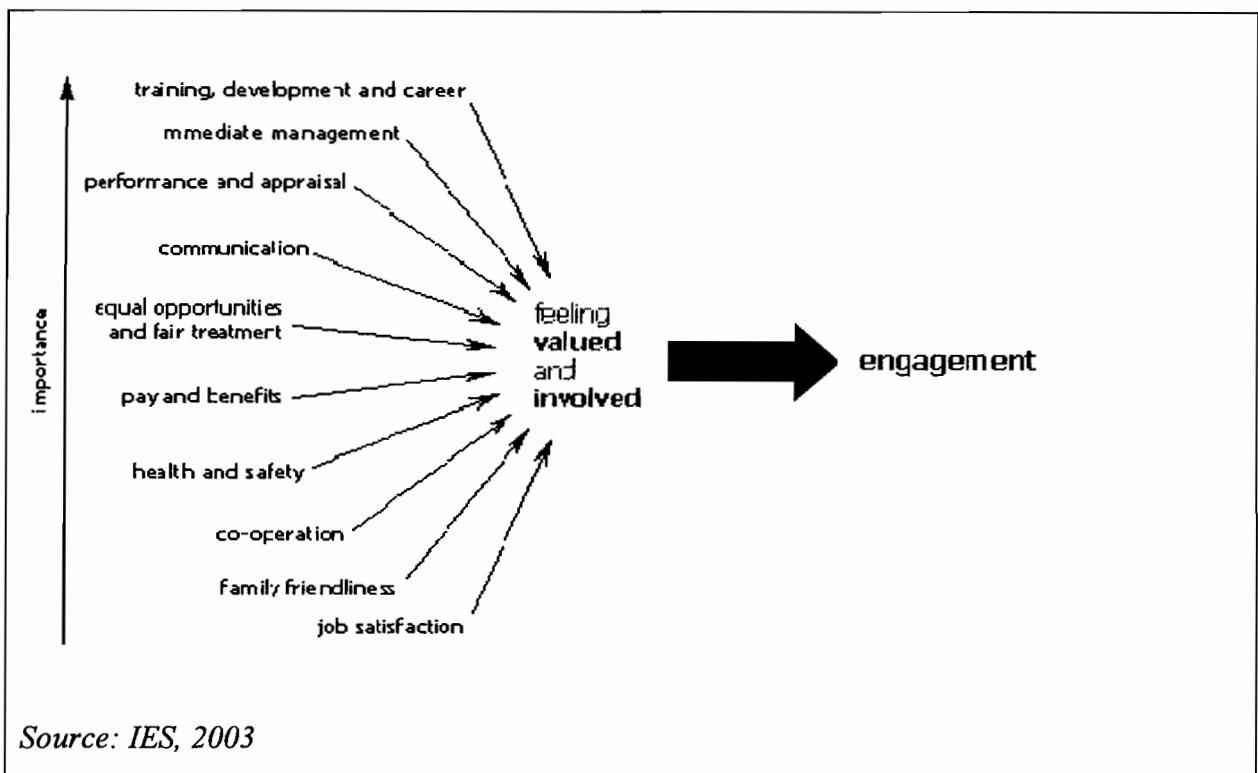
Based on Saks (2006) empirically tested model of the antecedents and consequences of employee engagement, there are significant difference between organization and job engagements and the factors that predict job and organization engagement. Saks (2006) that perceived organization support predicted job and organization engagement, job characteristics predicted job engagement and procedural justice predicted organization engagement. Job and organization engagements predicted job satisfaction, organization commitment and intention to quit. Organization engagement was a much stronger predictor of all of the outcomes over job engagement.

Many different engagement studies such as TowerPerrins, Hewitt, Gallup organization, the Corporate Leadership Council and Blessing White done to used different definitions of engagement to come-up with more than 26 key drivers of engagement. All the key drivers of engagement must take as an important to all employees and employers to manage their organizations. Managers should find out what resources and benefits are most desired by employees and most likely to create a sense of obligation that is returned with greater levels of engagement. Employee engagement is 'a long term and on-going process that requires continued interactions over time in order to generate obligations and a state of reciprocal interdependence' (Saks, 2006).

With the understanding that engagement is an individual based construct (Saks, 2006) with little to no demographic predictor for low or high levels of engagement (Corporate Leadership Council, 2004) an examination of drivers of engagement will be reviewed. Realistically there could be an infinite number of drivers for engagement which presents the question is there critical drivers that can more positively affect engagement levels?

Based on Melcrum (2005) states that defined differently, key drivers mean that levers that can be pulled to maximize the impact on engagement. These levers or key drivers are seen as significant to employee engagement. The model in figure 2.2 shows the main drivers of employee engagement for the diagnostic tool uses that fact that feeling valued and involved is the key driver of engagement, but also shows the main component of feeling valued and involved. The identified of these components give a pointer to organizations towards those aspects of working life that require serious attention if engagement levels are too maintained or improved.

The component of feeling valued and involved and the relative strength of each driver are likely to differ depending on the organization. In additional, different employee groups within one organization will probably have a slightly different set of drivers. Engagement is believed to be one step beyond commitment, which has been shown to have an impact on business outcomes, also linked to intention to stay with the organization. It therefore makes sense for organizations to monitor the engagement levels of employees, and to take action to increase these (Robinson, 2004).



**Figure 2.2**

*The drivers of employee engagement: a diagnostic tool*

### 2.6.1. Employee communication and Employee Engagement

Communication is not simply a two-way process as superficially defined in most cases.

Communication in the context of employee engagement also includes integrity, sensitivity to the medium, appropriate culture and environmental issues (Gubman, 2004).

Consistent and honest communication is an important management tool for employee engagement. Employee communication is defined as ‘the communication transactions

between individuals and/or groups at various levels and in different areas of specialization that are intended to design and redesign organizations, to implement design and contribute from day-to-day activities (Frank & Brownell, 1989). Employees are not simply satisfied or dissatisfied with communication in general, but can express differences degrees of satisfaction about definite aspects of communication (Clampitt & Downs, 1993).

The importance for employee communication in organization based on CIPD survey report that two most important drivers of employee engagement which having opportunities to feed upwards and feeling well-informed about what will happen in the organizations. This study mentioned that engagement start with employees' with clear understanding with what happened in the organization. Every employee should be kept informed with any changes that can affect their groups and they aren't confused or argued any changes happened. Besides that, organizations also have to play role to provide a clear instruction or information to all employees and always make employees know what happen in their organizations.

From previous research in SHRM Foundation's Employment Engagement and Commitment, employees who are committed to the company and engaged in their work provide organizations with crucial competitive advantage, such as higher productivity and lower employee turnover (Vance, 2006). In fact, according to Watson Wyatt's 2007/2008 Communication ROI Study, firms that communicate effectively are four times likely to report high levels of employee engagement as firms that communicate less effectively (Watson, 2008). Organizations who promote thoughtful communication strategies encourage employee engagement and keep the workforce energized, focused and productive. To recharge

employee morale and support the organization's objective, they can foster an environment for engagement by developing a targeted, proactive strategic communication plan.

From the companies surveyed by ASTD, 90% of the study agree that they should be clarifying and communication their organization's mission and goals. However, from The Investors in People Standard 2004, found that 55% of employees believed that they were being kept informed about what company was doing, and only 65% employee felt that they received information very well to do their job effectively. Thus we hypothesized that:

*H1: There is significantly relationship between employee communication and employee engagement*

### **2.6.2. Employee Development and Employee Engagement**

DDI's 2004 Selection Forecast study found that many employees leave their jobs for better growth and development opportunities, often offered by other organizations. Most employees want to keep their jobs fresh and interesting by learning new approaches and building new skills. Organizations can create engagement in their workplace by building a learning culture and creating individual development plans for every employee. Promoting employee development requires focused attention in several areas of the organization. Organizations need to select employees who have a willingness to learn and can adapt their behaviors to a changing work environment (Eichinger & Lombardo, 2005).

Most employees want to use their best skills and will feel engaged when organizations recognize and take advantage on their unique strengths, rather than placing emphasis on fixing weaknesses. Organization also need to provide meaningful development plans and opportunities that include programs such as training, succession management, special projects and assignments and mentoring (Berenthal & Wellins, 2003). A successful development program is to ensure that all employees have a plan for development and clear abilities for making progress on their plans.

Recent studies have concluded that training and development are key factors in the employee engagement. The Tower Perrin Global report found that 84% of respondent agreed that they enjoy challenging work assignments that broaden skills and 83% agreed that they seek opportunities to develop new knowledge and skills. In addition, the survey found that, globally, one of the top 10 drivers of employee engagement was 'improved my skills and capabilities over the last year' (Tower Perrins, 2008). This findings suggest that training should begin with the first day of employment and continue throughout the employee's career to be truly successful.

A study by CIPD 2006, on 'How engaged are British employee?' stated that around a third say that their manager rarely or never discusses their training and development needs with them and rarely or never gives feedback on their performance, and a quarter are rarely or never made to feel their work counts. Thus we hypothesized that:

*H2: There is significantly relationship between employee development and employee engagement*

### **2.6.3. Reward and Recognition and Employee Engagement**

Kahn (1990) reported that people differ with their engagement as a function of their perceptions of the benefits they receive from a role. People like to be recognized for their unique contributions and many organizations will provide their employee with formal rewards and recognition programs for employee ideas and contribution, many employees are hungry for more day-to-day informal recognition (Wellins, Bernthal & Mark, 2003). Employees who are unfamiliar to recognition for their work often remember a single touch on the back from a co-worker or boss for weeks or even months.

Reward and recognition also mean that employees receive regular feedback about how well they are doing. From Development Dimensions International's (DDI) Selection Forecast study found that only a little more than half (58 percent) of employees feel that they get enough feedback about how well they are doing. Employees need and expect feedback as a way of supporting their work and recognizing their progress. Ongoing feedback serves as a motivator for action by creating focus and influential action.

Therefore, employees' will be more likely to engage themselves for their role performances. Maslach et al. (2001) have also suggested that while a lack of rewards and recognition can lead to burnout, appropriate recognition and reward is important for engagement. When employees receive rewards and recognition from their organization, they will feel obliged to respond with higher levels of engagement. Thus, the third hypothesis is as follows:

*H3: There is significantly relationship between reward and recognition and employee engagement*

## **2.7. SUMMARY**

This chapter has identified literatures that focus on the employee engagement, the level of engagement and the drivers that determined the employee engagement. These literatures had explored details to be followed as guidance on preparing to set this current research framework in the following chapter and also described in the detail the procedures and methodology that were used for data collection and analysis in this study.

## **CHAPTER 3**

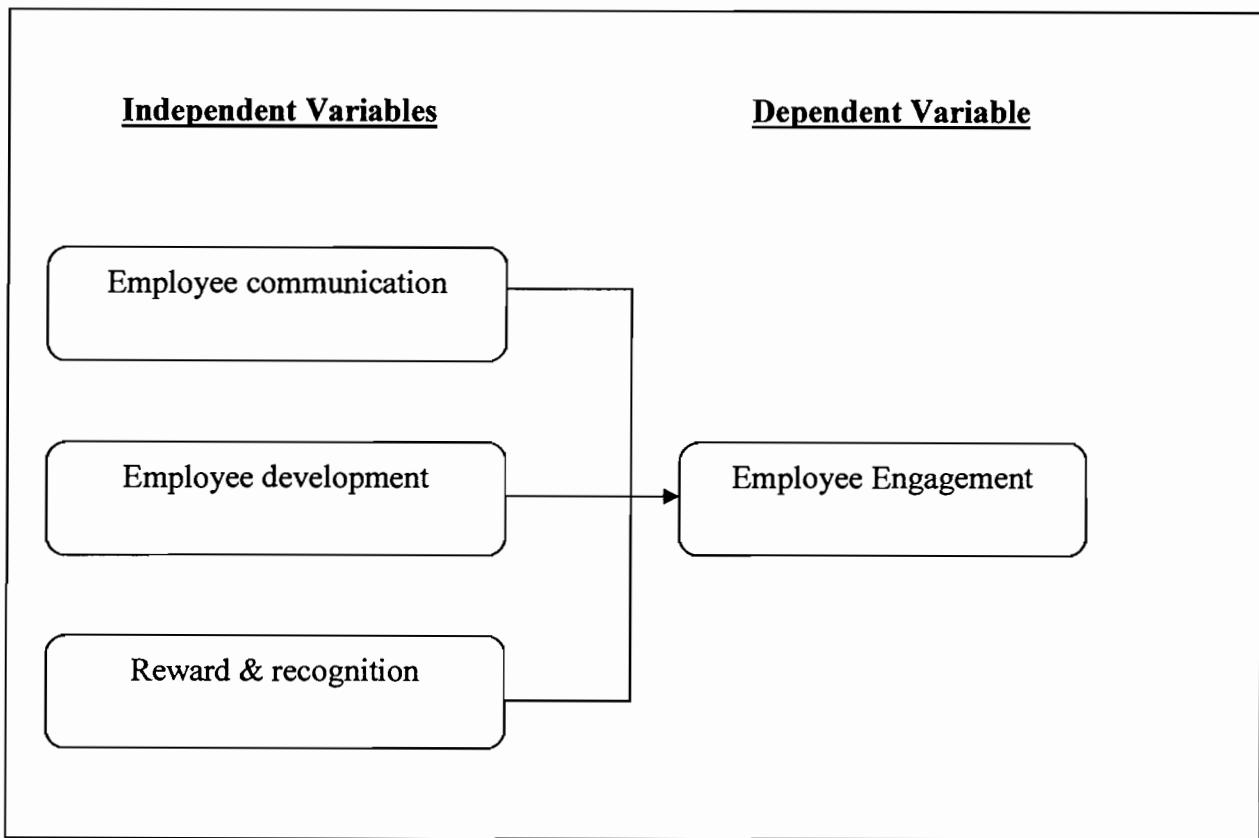
### **RESEARCH METHODOLOGY**

#### **3.1. INTRODUCTION**

This chapter discusses the methodology for the study. The theoretical framework and the related research hypothesis are explained. The framework focuses on the drivers that could have effect on the employee engagement in Cosmopoint Sdn Bhd, Kuala Lumpur. There are three drivers developed by previous researchers and used as the independent variables (employee communication, employee development program and reward and recognition). The employee engagement is identified as the dependent variable in this study. It will also describe the research instrument, sampling design, data collection procedures and the data analysis techniques used.

#### **3.2. RESEARCH FRAMEWORK**

From the literature review, the research framework was developed to show the interconnections of all the three of drivers of independent variables with the dependent variables of employee engagement in Cosmopoint Sdn Bhd, Kuala Lumpur as in Figure 3.1. The independent variables are the predictors to employee engagement namely employee communication, employee development and reward and recognition. For dependent variables is the employee engagement.



**Figure 3.1**

*Research Framework*

### 3.2.1. Conceptual Definition

For the purposes of this study, the following words and phrases are defined as follows:

**Employee engagement:** From the Gallup Organization employee engagement is defined as the involvement with and enthusiasm for work. The Towers Perrin define engagement as the extent to which employees put discretionary effort into their work, beyond the required minimum to get the job done, in the form of extra time, brainpower or energy. The greater an

employee's engagement, the more likely he or she is to 'go the extra mile' and deliver excellent on-the-job performance.

**Drivers of employee engagement:** Melcrum (2003) states that defined differently, key drivers mean that levers that can be pulled to maximize the impact on engagement. These levers or key drivers are seen as significant to employee engagement.

**Employee communication:** Based on Bates (2004), the most important for any communication in organization is consistent, to make employee communication as a regular routine and to honestly respond on what employees said or give any suggestion. The organization should follow the open door policy. There should be both upward and downward communication with the use of appropriate communication channels in the organization. If the employee is given a say in the decision making and has the right to be heard by his boss than the engagement levels are likely to be high.

**Employee development:** Employee development is driver refer to the degree to which an employee to upgrade their knowledge, skills and abilities (Towers Perrin-UK, 2005). Successful employee development requires balance between an individual's career needs and goals and the organization's need to get work done. Through employee development programs such as training, make positive contributions to organizational performance. A more highly skilled workforce can accomplish more employees experience and knowledge.

**Reward and recognition:** According to Kahn (1990), people vary in their engagement when they receive benefits and rewards. Employees will be more likely to engage themselves at work to the extent that they perceive a greater amount of rewards and recognition for their role performances. When employees receive rewards and recognition from their organization, they will feel appreciative to respond with higher levels of engagement (Saks, A.M. 2006). Each organization should have a proper pay system so that the employees are motivated to work in the organization. In order to boost their engagement levels the employees should also be provided with certain benefits and compensations.

### **3.3. RESEARCH DESIGN**

A research design is a master plan specifying the methods and procedures for collecting and analyzing the needed information. It is a framework or blueprint for conducting the research. The design to ensure all information collected is appropriate for solving the problem (Zikmund, 2003).

The purpose of this study is to determine the factors that contributed to employee engagement. This type of research is correlational study because involve independent variables such as employee communication, employee development and reward and recognition. This independent variable may or may not contribute to employee engagement.

### **3.4. DATA COLLECTION METHOD**

Questionnaire is the instrument form of data collection used in this study, which is questionnaire will distribute by email and by hand to employees. The questionnaire was distributed to 103 staffs in Cosmopoint Sdn Bhd, Kuala Lumpur. This process took almost two weeks to complete. Permission will be taken from the management before the administration of the instruments and the purposes of study and have to explain to them. The respondents will instruct on how to administer the instruments. The procedure for filling the questionnaire is thoroughly explained to the workers.

The questionnaire was developed and modified to suit the context of employees in Cosmopoint Sdn Bhd, Kuala Lumpur.

**Table 3.1.***Data Collection Method*

Variable	Items	Scales	Sources
Employee Engagement	13	Five point Likert scale	Chartered Institute of Personnel and Development
Employee Communication	6	Five point Likert scale	ORC International Pulse
Employee Development	6	Five point Likert scale	ORC International Pulse
Rewards and Recognition	6	Five point Likert scale	ORC International Pulse

The questionnaire consists of 5 sections. Sections A consists of the questions to get the information about the respondent background. Section B, C, D and E required to measure items that are related to employee engagement.

Employee engagement was measured using 13-item with example items; 'Time passes quickly when I perform my job' or 'I often think about other things when performing my job' or 'I am rarely distracted when performing my job'.

Employee communication was also measured using 6-item questionnaire such as; 'There is a good communication between various parts of the company' or 'I am kept well informed about what the company is doing'.

Employee development section has 6-item questionnaire such as; 'My employer encourages me to extend my abilities' or 'I get the opportunities to discuss my training requirement with my employer'.

Lastly, reward and recognition section has 6-item which asked; 'My successes are recognized by my manager and coworkers' or 'The pay and benefits in my organization are competitive compared to similar industry'.

### **3.5. INSTRUMENT SCALES**

For each item, respondent were asked to indicate the extent to which they agreed or not that the item described its respective content domain. The five-point rating Likert scale was used for each of the driver independent variables items and also for dependent variable which is employee engagement, where 1=Strongly disagree, 2=Disagree, 3=Uncertain, 4=Agree and

5=Strongly agree. This summated rating method developed by Likert is widely used to measured attitudes because of its simplicity administered criterion (Zikmund, 2003).

### **3.6. POPULATION**

The populations of this company total up 140 employees working in Cosmopoint Sdn Bhd at Kuala Lumpur in various employment levels such as higher level managers, executive, administrative, finance and academic sections. Most of them are female and involved in administrative and academic jobs.

### **3.7. SAMPLE**

Krecjie and Morgan (1970) proposed that, for a population of 140 staffs, 103 samples are adequate to be used in the data analysis. Procedure involving the use of small number of items or portion of a population to make a conclusion relating to the whole population is defined as sampling (Zikmund, 2003). This separation portion if followed certain statistical procedures, could yield to good sample where the characteristic represent the similar population as a whole. These study using simple random method. It randomly selected all the respondents throughout the samples. This type of sampling was chosen as equal chances to be included in the sample for each element in the population are guaranteed (Zikmund, 2003).

### 3.8. PILOT TEST

Pilot test was done at the initial state of the study to confirm on the reliability consistency and stability of the research process. Approximately 30 individuals from the same company were selected to participate in the pilot study. From Zikmund (2003), pilot study will serve as a guide for large study and it collected data the definitive subjects of the research project in a small scale probing sampling technique without exact standard. As referred to Table 3.1, all independent variable and employee engagement are confirmed to be reliable as the result indicated all item above 0.7 as suggested by Nunally (1978).

**Table 3.2**

*Pilot study reliability test*

Variables	Cronbach Alhpa
Employee communication	0.868
Employee development	0.957
Reward & Recognition	0.946
Employee Engagement	0.758

### **3.9. DATA ANALYSIS**

The data collection is analyzing with Statistical Package for Social Sciences (SPSS) version 12 for window to perform the statistical analysis. Quantitative study is used for the purpose of this study because the results provide support for anticipated directions of the associations between independent variables and dependent variables. Examining the data will inclusive of reliability analysis, descriptive analysis or sample background, correlation analysis and regression analysis. By using SPSS the critical of tendency and the dispersion of the data were check, the reliability and validity of the measures are test.

The analysis of data began with reliability test for the scales through Cronbach's Alpha. Cronbach alpha coefficient would be the indicating tool to check for the consistency. According to Nunally (1978), the acceptable alpha coefficient should be more than 0.7. Zikmund (2003), explained reliability as the extent to which measures are error free hence, consistent and similar results can be obtained across circumstances and in excess of time.

Descriptive analysis for this study was used to describe the characteristics of the respondent background. For length of service and age are continuous variables, the mean, standard deviation, maximum and minimum values would be used to describe these demographic samples. For variables on gender, race, academic qualification and department, frequency analysis is more suitable. Similarly, the descriptive statistic analysis will check the mean, standard deviation, minimum and maximum values of all the independent variables and the

employee engagement variable. The frequency percentage of all samples can also be obtained.

In order to determine whether there are significant relationships among the independent variables and dependent variable, Pearson Correlation Coefficient analysis were used. The strength association among variables could also be computed and investigated.

Finally, regression analysis is use to determine how much of the variance in employee engagement scores can be explained by all the three drivers of independent variables subscales. The answer which of these independent variables in hierarchical subsequent is a better predictor of employee engagement scores, possibly would be worked out. The variance would be determined from R square value and beta coefficient would verify the contributors ranking.

### **3.10. SUMMARY**

This chapter had explained all the methodological factors involved to carry out this study. It explained on the research framework, the research hypothesis, the instrument used, the population and samples involved the pilot study and the method of analyzing all the collected data.

## **CHAPTER 4**

### **RESEARCH FINDINGS**

#### **4.1. INTRODUCTION**

This chapter will analyze the data findings of the study. All data were analyzed using statistical package for the social sciences (SPSS) version 12.0 for window to perform the statistical analysis. The data were examined with reliability analysis, descriptive analysis or sample background, correlation analysis and regression analysis. Frequency analysis was utilized for analyzing the respondents' demographic characteristics such as age, gender, race, academic qualification, department and length of services status. The statistical method of Pearson Correlation is used to determine the existence of any relationships between the independent variable and dependent variable. Additionally, Regression Analysis is conducted to examine which among the three levels of the independent variable is the most important to employee engagement.

#### **4.2. RESPONSE RATE**

Simple random sampling was employed as it could guarantee equal chances of population to be included in the sample (Zikmund, 2003). A total of 103 sets of questionnaire were distributed to respondents. All 103 sets of questionnaire were returned and were cleaned for further examination. That means there were no un-useable questionnaire nor any questionnaire which was discarded.

**Table 4.1:**

*Response Rate*

	<b>Total</b>	<b>Percentage (100%)</b>
Questionnaires distributed	103	100
Collected questionnaire	103	100
Usable questionnaire	0	0
Discarded questionnaire	0	0
Uncollected questionnaire	0	0

### **4.3. PROFILE OF THE RESPONDENT**

The survey demonstrated the details concerning demographic characteristics or respondents' profile as shown in Table 4.2 below.

**Table 4.2:***Frequencies of Demographic variables*

<b>Demographic</b>	<b>Categories</b>	<b>Frequency</b>	<b>Percentage (%)</b>
1. Age group	below 25 years	5	4.9
	25 to 34 years	71	68.9
	35 to 44 years	24	23.3
	45 to 54 years	2	1.9
	55 and above	1	1.0
2. Gender	Male	48	46.6
	Female	55	53.4
3. Race	Malay	92	89.3
	Chinese	1	1.0
	Indian	5	4.9
	Others	5	4.9
4. Academic Qualification	Secondary	5	4.9
	Diploma	23	22.3
	Degree	61	59.2
	Master / PHD	14	13.6
5. Department	Human Resource / Admin	19	18.4
	Finance / Account	13	12.6
	Corporate Affairs	12	11.7
	IT	9	8.7
	Academic	25	24.3
	Others	25	24.3
6. Length of Services	below 2 years	26	25.2
	2 to 4 years	26	25.2
	5 to 7 years	18	17.5
	8 to 10 years	11	10.7
	more than 10 years	22	21.4

Table above explained the age group, gender, race, academic qualification, department and length of services of the respondents. Out of 103 respondents, 5 of them were below 25 years which represents 4.9% of the total respondent, more than half of respondents were within the age of 25 – 34 years representing 68.9%. Ages within 35 – 44 were the second highest respondent representing 23.3% total up to 24 people. While the total number age within 45 to 54 years were 2 and age for range 55 and above is 1 which represent 1.9% and 1%. It shows that most respondents were from age within 25 to 34 years. Half of the respondents were female, 55 of them represents 53.4% while the remaining 46.6% of the respondent were male.

Most of the respondents were Malay, 92 of them represents 89.3% of the total, only 1 Chinese, Indian and others races total up to 5 people represents 4.9% of the total. Most of the respondents owned educational knowledge ranging from Secondary certificates holders to Master / PHD degree holders. 59.2% of the respondents were Degree holders, followed by 22.3% as Diploma holders and only minority were secondary level and holding a Master degree or PHD holders. About 25 respondents were from Academic and others department which represents 24.3% of the respondents, and followed by Human Resource / Admin 18.4% Finance and Accounts were 12.6% while Corporate Affair and IT department were 11.7% and 8.7%. About one third of the respondents worked below than 2 years and within 2 to 4 years in the company which represents 25.2% of the respondents while the remaining of 21.4% of the respondents were worked more than 10 years.

#### 4.4. RELIABILITY ANALYSIS

**Table 4.3:**

*Reliability Analysis*

<b>Variables</b>	<b>No. of Items</b>	<b>Item Dropped</b>	<b>Cronbach's Alpha</b>
		<b>Dropped</b>	
Employee Communication	6	0	.881
Employee Development	6	0	.912
Rewards & Recognition	6	0	.915
Employee Engagement	13	3	.701

According to Nunally (1978), for internal consistency scales to measure the same underlying construct, the Cronbach alpha coefficient of the scale should be above 0.7. According to George & Mallery (2003), reliability is the degree to which measure are free from error and therefore yield consistent result. From the above table 4.3, all the 3 drivers of independent variables and dependent variables having the Crobach alpha coefficient of higher than 0.7; thus, they were all reliable items.

#### 4.5. DESCRIPTIVE STATISTIC OF VARIABLES

**Table 4.4:**

*Descriptive analysis results*

Variables	Mean	Std. Dev.	Min.	Max.
Employee Communication	3.19	.765	1.33	4.33
Employee Development	3.21	.883	1.00	4.67
Rewards & Recognition	2.64	.865	1.00	4.33
Employee Engagement	3.66	.431	2.50	4.80

The above table 4.4 gives details on the overall summary of the descriptive statistical analysis for all the 3 drivers of independent variables and the employee engagement as the dependent variables. All variables are evaluated based on a 5- point scale. The mean rating for employee communication variables are  $M=3.19$   $SD=.765$  with minimum value of 1.33 and maximum value of 4.33. Employee development variables mean rating are  $M=3.21$   $SD=.883$  with minimum value of 1.00 and maximum value of 4.67. Rewards and recognition mean rating variables are  $M=2.64$   $SD=.865$  with minimum value of 1.00 and maximum value of 4.33. Finally, the mean rating for employee engagement variables are  $M=3.66$   $SD=.431$  with minimum value of 3.66 and maximum value of 4.80.

#### 4.6. CORRELATION ANALYSIS

**Table 4.5:**

*Correlations coefficient among variables*

Variables	EC	ED	RR	EE
Employee Communication	1			
Employee Development	.649**	1		
Reward & Recognition	.602**	.660**	1	
Employee Engagement	.159	.044	.228*	1

\*\* Correlation is significant at the 0.01 level (2-tailed)

\*Correlation is significant at the 0.05 level (2-tailed)

**Hypothesis 1: There is no significantly relationship between employee communication and employee engagement**

The relationship between employee communications is tested against employee engagement. The results indicate that there is no significant relationship between the two variables ( $r=.159$ ,  $n=103$ ). That means there is no relationship between the variables. Hence, hypothesis 2 is not accepted.

**Hypothesis 2: There is no significantly relationship between employee development and employee engagement**

The relationship between employee developments is tested against employee engagement. The results show that there is no significant relationship between the two variables ( $r=.044$ ,  $n=103$ ). That means there is no relationship between the variables. Hence, hypothesis 2 is not accepted.

**Hypothesis 3: There is significantly relationship between reward and recognition and employee engagement**

The relationship between rewards and recognition is investigated against employee engagement. The result show that there is a significant relationship between the two variables ( $r=.228$ ,  $n=103$ ,  $p<0.05$ ). The relationship between the variables is significant but the correlation is small. Hypothesis 3 is accepted.

## 4.7. REGRESSION ANALYSIS

**Table 4.6**

*Estimates of coefficients for the model*

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig. Value
	B	Std. Error	Beta		
(Construct)	3.400	.186		18.326	.000
Employee	.074	.075	.131	.989	.325
Communication					
Employee	-.120	.069	-.246	-1.742	.085
Development					
Rewards &	.155	.067	.311	2.308	.023
Recognition					

Notes: R=0.284; R<sup>2</sup>=0.081; Adj. R<sup>2</sup>=0.053

The R squared of 0.081 implies that the 3 drivers of employee engagement variables explained about 8.1% of the variance accounted for by the independent variables of the variance in the employee engagement is accounted for by employee communication, employee development and rewards and recognition. This value indicates that those three drivers explained employee engagement by 8.1%. Its means that there are also some other factors which not be considered.

As depicted in table 4.6 on the previous page, the largest beta coefficient is 0.311 which is for the rewards and recognition. This carry the meaning of rewards and recognition variable makes the strongest contribution to explaining the dependent variable (EE). It suggests that one standard deviation increase in rewards and recognition is followed by 0.311 standard deviation increase in employee engagement. The second highest beta value falls on the employee communication with 0.131 values.

The R adjusted value when minus by R squared value resulting in 0.028; when converting to percentage, the output scores are 2.8%. This value is less than 5% therefore it shows that this study could be generalized to other population and can also be tested in other sector (Zikmund, 2003).

#### **4.8. SUMMARY**

This chapter had presented the findings analysis of this current study. Data was analyzed using SPSS version 12.0 for Windows and captured the most applicable method of analyzing data including reliability test, descriptive statistic test, correlation test and regression test. The discussion of the findings will be presented in the subsequent chapter.

## **CHAPTER 5**

### **DISCUSSION AND CONCLUSION**

#### **5.1. INTRODUCTION**

This chapter will discuss on the findings of the study, the implications, limitations and the conclusion. The discussion will base on the variables examined in the present study.

#### **5.2. RECAPITULATION OF RESULT**

As mentioned in Chapter 4, 8.1% of the variance in the employee engagement was explained by all the drivers variables i.e., employee communication, employee development and rewards and recognition. Rewards and recognition has the largest beta coefficient (0.311), which is the strongest contribution to explaining the employee engagement variable.

The employee development drivers obtained 0.246 to be the second highest beta value and the third highest beta values are employee communication with 0.131. All these three drivers are significant because their values are lower than the alpha value of 0.05.

### 5.3. DISCUSSION

The purpose of this study is determine whether there is any a relationship between the three independent variables; employee communication, employee development and rewards and recognition with the dependent variable; employee engagement.

The relationship between employee engagement and employee communication, employee development and rewards and recognition was investigated using Pearson's correlation coefficients. With reference to correlation table in Table 4, the table had explained the relationship between employee engagement and the drivers of variables.

The relationship between employee engagement and rewards and recognition drivers were the highest linear score where  $r=.228$ . The second score was found that between employee engagement and employee development was no correlated where  $r=0.44$  and the relationship between employee engagement and employee communication also was no correlated where  $r=.159$ .

**Objective 1: To determine the relationship between employee communication and employee engagement.**

In this study indicate that there are no relationships or correlation between employee communication and employee engagement. This finding is supporting the research by (Tower Perrin, 2003) where many organizations confuse communication with information,

concentrating on disseminating basic facts rather than providing context, commentary and two-way dialogue. They also found that it's a learned skill, and one that traditionally hasn't been emphasized among managers moving up through the ranks. In each organization, employees want to know what management thinks and believes and how it plans to act. This was also supported by (CIPD, 2006) report that consultation and involvement are critical managerial skills that require more development for a substantial proportion of managers, around a fifth of employees were found to be 'uninformed non-communicators', receiving little or no information about what is happening in their organization, and lacking the opportunity for feeding their views upwards. They also found (CIPD, 2006) that as nearly half of employees feel they are not well informed about what is going on, organizations need to review their internal communication strategies. From this reports also suggest that there may be problems of strategy in many organizations and in the communications of strategic vision. It should be more difficult for employees to feel engaged with their work when they do not have a clear understanding of what it is their organizations is trying to achieve (CIPD, 2006).

**Objective 2: To determine the relationship between reward and recognition and employee engagement.**

The positive and acceptable coefficient value between rewards and recognition and employee engagement are validating the study conducted by Wellins, Bernthal & Mark (2003) whereby employees who feel they are listened to, supported and recognized for their contributions are likely to be more engaged. People like to be recognized for their unique contributions. For

example, Watson Wyatt (2002) found that when employees have input into how work gets done and can share ideas with senior leaders, there is a corresponding increase in a company's market values. From Hay group WorldatWork (2010) study found 42% of the respondents indicated that their organizations total rewards strategies had a positive effect on employee engagement, whereas 24% did not think this was the case. WorldatWork members were asked to assess how their efforts to engage employees through total reward programs affected a variety of employee and business outcomes.

**Objective 3: To determine the relationship between employee development and employee engagement.**

The result of this study indicates that no relationship between employee development and employee engagement in this industry. DDI's (2004) Selection Forecast supports this approach that many employees leave their jobs for better growth and development opportunities, often offered by other organizations. Most employees want to keep their jobs fresh and interestingly by learning new approaches and building new skills. Most organizations will create engagement in their workforce by building a learning culture and creating individual development plans for every employee. CIPD (2006) report also concurs that around a third say that their manager rarely or never discussed their training and development needs with them and rarely or never gives feedback on their performance, and a quarter are rarely or never made to feel their work counts. From this research also found that the lack of attention paid by managers to employee's training and development needs is likely to be detrimental to longer-term organizational and individual performance (CIPD, 2006).

They also found that employees need feedback on their performance on a regular basis if they are to understand what is expected of them and how to improve (CIPD, 2006). Most employees want to use their best skills and will feel engaged when organizations recognize and capitalize on their unique strengths, rather than placing on their weakness.

**Objective 4: To identify which among the three independent variables is the most important drivers to employee engagement.**

The result indicate that rewards and recognition is among the three independent variables that the most important drivers to employee engagement in this industry. According to employee responses to rewards and recognition related questions in the 2008-09 Employee Hold'em National Workforce Engagement Benchmark that less than half of employees (48%) agreed that people are fairly rewarded and recognized for their contributions to company success, while 30% disagreed. They also found that 46% agreed that excellent performance gets rewarded at their organization, while 29% disagreed, also only 45% agreed that compensation practices are administered consistently for all employees, while 28% disagreed (WorldatWork, 2008). Rewards and recognition programs are a great influence on employee engagement and productivity, which greatly influence business success. As such, these programs need to go beyond the traditional path on the back or employee of the months trophy. They should be used to respect behaviors that reflect the organization's core values and business objective (Workspan, 2007). Fully engaged workers are those employees who plan to 'stay longer, work harder, turn down unsolicited job offers and recommend their organization as a great place to work. They are six times more likely to be positive about

their organization's rewards than unengaged workers, employees that are already halfway out the door and actively putting customer relationships at work.

#### **5.4. IMPLICATION**

The result of this study show positive significant contribution towards employee engagement from rewards and recognition. From these, it is suggested that rewards and recognition exhibited strong influences on employee engagement in this study and were rated the top factor in questionnaire. It seems that the fundamental pay and benefits still weight heavily in employee engagement amongst Cosmopoint Sdn Bhd workforce. This study also provide small of idea about employee engagement in the context of one education industry. It would be beneficial for managers and future research to consider the following suggestions:

- Further research that to extent to which the factors that promote employee engagement are different or common from those identified in this study and also can bring interesting dimensions.
- Further research study can expand the study into other industries to enhance the consistency of results
- Further research study can include other variables to measure employee engagement so that the drivers will increase the accuracy of understanding the drivers that affect the employee engagement.
- The research study was limited and further detailed research on the perceptions of employee in organizations could bring different insights.

For managers and management should consider the following:

- Allowing people the opportunity to feed their views and opinions upwards is the single most important driver of engagement.
- Keeping employees informed about what is going on in the organization is critical.
- Having fair and just management processes for dealing with problems is important in driving up levels of performance.
- Employees need to see the managers are committed to the organization in order to feel engaged.
- Different groups of employees are influenced by different combinations of factors, and managers need to consider carefully what is most important to their own staff.

## 5.5. CONCLUSION

The major purpose of this study is to find out which factors the three driver factors will influence employee engagement in this education industry. Reliability coefficients of alpha appeared to be obtained higher than 0.7 for each and every scale of the independent variables, suggesting that the survey items were appropriate indicators of their respective construct. Correlation analysis was done to check the relationship between the independent variables and dependent variable in term of both the strength and the direction of the relationship. Only one driver namely rewards and recognition was positively related to employee engagement, while employee communication and employee development has no correlation with employee engagement. Regression analysis was done to find out how much of the variance in the

employee engagement scores can be explained by the three drivers of employee engagement. The major findings indicated that the three driver variables explain about only 8.1% of the variance in the employee engagement. Only rewards and recognition made significant contribution on employee engagement.

It was noticed that when adjusted R-squared is minus by R-squared that is 8.1% minus 5.3% the percentage value is equivalent to 2.8%. This value is lower than 5% which indicates that this study could be generalized to other population and can also be tested in other tested (Zikmund, 2003).

In summary, the basic focus at this study is to determine which factors that affect employee engagement in order to enhance employee morale, enhance performance and reduce the turnover the organization. Winning employees' engagement will gives companies competitive advantage to outperform the industry and their competitors. Progressive employers should leverage engagement enhancing practices as a way to foster employee performance and also will affect the overall performance at the company.

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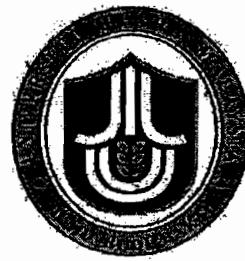
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UNIVERSITI UTARA MALAYSIA

Research Title:

**“EMPLOYEE ENGAGEMENT IN MALAYSIA’S EDUCATION INDUSTRY :  
A SURVEY OF COSMOPOINT, KUALA LUMPUR”**

Dear Sir/Madam

The purpose of the research is to study on the factors that influence to the employee engagement in organization. This questionnaire is prepared to complete above research to fulfill the requirement of thesis.

This questionnaire is divided in to five (5) sections. Section A is about the personal information of the respondent. Section B is about employee engagement, section C is employee communication, section D is employee development and section E is about reward and recognition. Please read the question carefully before you answer it. I would very please if you can answer the questionnaire as honestly as possible. There is no wrong and right answer. For your information, all of the answer will be kept private and confidential. The data obtained will be used for academic purposes only.

Thank you for your time in answering this questionnaire and your cooperation is highly appreciated. Please do not hesitate to contact me at 019-2052508 if you require additional information.

Cordially

**RINI SHAHRIL**

Master of Human Resource Management  
College of Business  
University Utara Malaysia

## SECTION A:

### **RESPONDENT BACKGROUND**

Questions below are about your background. Please tick (/) in the appropriate box.

#### **1. Age (until 31 Dec 2010)**

Below 25

35 to 44 years

25 to 34 years

55 and above

45 to 54 years

#### **2. Gender**

Male

Female

#### **3. Race**

Malay

Chinese

Indian

Others

#### **4. Academic Qualifications**

Secondary

Degree

Diploma

Master / PHD

### 5. Department

Human Resource / Admin  
Finance / Account  
Corporate Affairs


IT  
Academic  
Others \_\_\_\_\_


### 6. Length of Service

Below 2 years  
2 to 4 years  
more than 10 years


5 to 7 years  
8 to 10 years


## **SECTION B:**

### **EMPLOYEE ENGAGEMENT**

Please read the following statements and rate the following questions by circling the numbers given.

1	2	3	4	5
<b>Strongly disagree</b>	<b>Disagree</b>	<b>Uncertain</b>	<b>Agree</b>	<b>Strongly Agree</b>

1. Time passes quickly when I perform my job	1	2	3	4	5
2. I am rarely distracted when performing my job	1	2	3	4	5
3. Performing my job is so absorbing that I forget about everything else	1	2	3	4	5
4. My own feelings are affected by how well I perform my job	1	2	3	4	5
5. I really put my heart into my job	1	2	3	4	5
6. I get excited when I perform well in my job	1	2	3	4	5
7. I stay until the job is done	1	2	3	4	5
8. I exert a lot energy performing my job	1	2	3	4	5
9. I take work home to do	1	2	3	4	5
10. I avoid working too hard	1	2	3	4	5

## **SECTION C:**

### **EMPLOYEE COMMUNICATION**

Please read the following statements and rate the following questions by circling the numbers given.

1	2	3	4	5
<b>Strongly disagree</b>	<b>Disagree</b>	<b>Uncertain</b>	<b>Agree</b>	<b>Strongly Agree</b>

1. There is a good communication between various parts of the company 1      2      3      4      5
2. My business/function does a good job of communicating information to all 1      2      3      4      5
3. I am kept well informed about what the company is doing 1      2      3      4      5
4. Information is shared in a timely manner from the company 1      2      3      4      5
5. I am able to speak up and challenge the way things are done in the company 1      2      3      4      5
6. Management encourage employee suggestions 1      2      3      4      5

**SECTION D:**

**EMPLOYEE DEVELOPMENT**

Please read the following statements and rate the following questions by circling the numbers given.

1	2	3	4	5
<b>Strongly disagree</b>	<b>Disagree</b>	<b>Uncertain</b>	<b>Agree</b>	<b>Strongly Agree</b>

1. My employer encourages me to extend my abilities

1      2      3      4      5

2. This organization has provided me with training opportunities enabling me to extend my range of skills and abilities

1      2      3      4      5

3. I get the opportunities to discuss my training requirement with my employer

1      2      3      4      5

4. The training I have taken was useful and relevant to my job

1      2      3      4      5

5. Overall, staff developments has helped me to do my job more effectively

1      2      3      4      5

6. My company does provide a good career development for me

1      2      3      4      5

**SECTION E:**

## REWARD & RECOGNITION

Please read the following statements and rate the following questions by circling the numbers given

1	2	3	4	5
<b>Strongly disagree</b>	<b>Disagree</b>	<b>Uncertain</b>	<b>Agree</b>	<b>Strongly Agree</b>

1. My successes are recognized by my manager and and coworkers	1	2	3	4	5
2. An outstanding performer will be recognized and rewarded by the company	1	2	3	4	5
3. The pay and benefits in my organization are competitive compared to similar industry	1	2	3	4	5
4. In the last seven days, I did receive recognition or praise for doing good work	1	2	3	4	5
5. Job promotions in this organization is fair and objective	1	2	3	4	5
6. I am satisfied with the rewards and recognition that I received	1	2	3	4	5

## APPENDIX B

### **Pilot Reliability Test**

#### **1. Employee Communication (EC)**

##### **Warnings**

The space saver method is used. That is, the covariance matrix is not calculated or used in the analysis.

##### **Case Processing Summary**

	N	%
Cases	Valid	30
	Excluded <sup>a</sup>	0
	Total	30
		100.0

a. Listwise deletion based on all variables in the procedure.

##### **Reliability Statistics**

Cronbach's Alpha	N of Items
.868	6

##### **Item Statistics**

	Mean	Std. Deviation	N
EC1	3.27	.868	30
EC2	3.60	.724	30
EC3	3.37	.928	30
EC4	3.37	.765	30
EC5	3.13	.900	30
EC6	3.00	1.083	30

## 2. Employee Development (ED)

### Warnings

The space saver method is used. That is, the covariance matrix is not calculated or used in the analysis.

### Case Processing Summary

		N	%
Cases	Valid	30	100.0
	Excluded <sup>a</sup>	0	.0
	Total	30	100.0

a. Listwise deletion based on all variables in the procedure.

### Reliability Statistics

Cronbach's Alpha	N of Items
.957	6

### Item Statistics

	Mean	Std. Deviation	N
ED1	3.37	.809	30
ED2	2.77	1.135	30
ED3	2.67	1.155	30
ED4	2.93	1.311	30
ED5	3.17	1.315	30
ED6	2.83	1.289	30

### 3. Reward & Recognition (RR)

#### Warnings

The space saver method is used. That is, the covariance matrix is not calculated or used in the analysis.

#### Case Processing Summary

		N	%
Cases	Valid	30	100.0
	Excluded <sup>a</sup>	0	.0
	Total	30	100.0

a. Listwise deletion based on all variables in the procedure.

#### Reliability Statistics

Cronbach's Alpha	N of Items
.946	6

#### Item Statistics

	Mean	Std. Deviation	N
RR1	3.17	.986	30
RR2	3.10	1.213	30
RR3	2.50	1.106	30
RR4	2.40	1.070	30
RR5	2.40	1.102	30
RR6	2.37	1.129	30

#### 4. Employee Engagement (EE)

##### Warnings

The space saver method is used. That is, the covariance matrix is not calculated or used in the analysis.

##### Case Processing Summary

		N	%
Cases	Valid	30	100.0
	Excluded <sup>a</sup>	0	.0
	Total	30	100.0

a. Listwise deletion based on all variables in the procedure.

##### Reliability Statistics

Cronbach's Alpha	N of Items
.651	13

##### Item Statistics

	Mean	Std. Deviation	N
EE1	3.93	.640	30
EE2	3.10	1.062	30
EE3	3.23	.817	30
EE4	3.47	.776	30
EE5	3.80	.714	30
EE6	3.77	.728	30
EE7	4.43	.568	30
EE8	3.37	.809	30
EE9	3.77	.774	30
EE10	3.60	.724	30
EE11	2.70	1.022	30
EE12	3.30	1.022	30
EE13	2.70	.915	30

## Deleted Item (employee engagement)

### 5. Deleted item no 12

#### Warnings

The space saver method is used. That is, the covariance matrix is not calculated or used in the analysis.

#### Case Processing Summary

		N	%
Cases	Valid	30	100.0
	Excluded <sup>a</sup>	0	.0
	Total	30	100.0

a. Listwise deletion based on all variables in the procedure.

#### Reliability Statistics

Cronbach's Alpha	N of Items
.697	12

#### Item Statistics

	Mean	Std. Deviation	N
EE1	3.93	.640	30
EE2	3.10	1.062	30
EE3	3.23	.817	30
EE4	3.47	.776	30
EE5	3.80	.714	30
EE6	3.77	.728	30
EE7	4.43	.568	30
EE8	3.37	.809	30
EE9	3.77	.774	30
EE10	3.60	.724	30
EE11	2.70	1.022	30
EE13	2.70	.915	30

### Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
EE1	37.93	18.409	.526	.657
EE2	38.77	20.599	-.002	.742
EE3	38.63	16.516	.681	.623
EE4	38.40	18.938	.321	.680
EE5	38.07	18.961	.359	.675
EE6	38.10	18.783	.379	.672
EE7	37.43	20.185	.235	.691
EE8	38.50	20.259	.109	.710
EE9	38.10	18.231	.435	.664
EE10	38.27	18.754	.387	.671
EE11	39.17	16.902	.447	.658
EE13	39.17	18.351	.321	.681

### Scale Statistics

Mean	Variance	Std. Deviation	N of Items
41.87	21.706	4.659	12

## 6. Deleted item no. 2

### Warnings

The space saver method is used. That is, the covariance matrix is not calculated or used in the analysis.

### Case Processing Summary

		N	%
Cases	Valid	30	100.0
	Excluded <sup>a</sup>	0	.0
	Total	30	100.0

a. Listwise deletion based on all variables in the procedure.

### Reliability Statistics

Cronbach's Alpha	N of Items
.742	11

### Item Statistics

	Mean	Std. Deviation	N
EE1	3.93	.640	30
EE3	3.23	.817	30
EE4	3.47	.776	30
EE5	3.80	.714	30
EE6	3.77	.728	30
EE7	4.43	.568	30
EE8	3.37	.809	30
EE9	3.77	.774	30
EE10	3.60	.724	30
EE11	2.70	1.022	30
EE13	2.70	.915	30

### Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
EE1	34.83	17.523	.498	.712
EE3	35.53	15.223	.738	.671
EE4	35.30	17.252	.426	.718
EE5	34.97	18.033	.339	.730
EE6	35.00	17.724	.383	.724
EE7	34.33	18.782	.303	.734
EE8	35.40	19.007	.133	.758
EE9	35.00	17.103	.453	.715
EE10	35.17	17.592	.409	.721
EE11	36.07	15.857	.454	.715
EE13	36.07	17.995	.227	.749

### Scale Statistics

Mean	Variance	Std. Deviation	N of Items
38.77	20.599	4.539	11

## 7. Deleted item no. 8

### Warnings

The space saver method is used. That is, the covariance matrix is not calculated or used in the analysis.

### Case Processing Summary

		N	%
Cases	Valid	30	100.0
	Excluded <sup>a</sup>	0	.0
	Total	30	100.0

a. Listwise deletion based on all variables in the procedure.

### Reliability Statistics

Cronbach's Alpha	N of Items
.758	10

### Item Statistics

	Mean	Std. Deviation	N
EE1	3.93	.640	30
EE3	3.23	.817	30
EE4	3.47	.776	30
EE5	3.80	.714	30
EE6	3.77	.728	30
EE7	4.43	.568	30
EE9	3.77	.774	30
EE10	3.60	.724	30
EE11	2.70	1.022	30
EE13	2.70	.915	30

**Item-Total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
EE1	31.47	15.706	.570	.721
EE3	32.17	13.799	.748	.686
EE4	31.93	15.789	.424	.737
EE5	31.60	16.662	.315	.751
EE6	31.63	16.171	.394	.741
EE7	30.97	17.206	.314	.751
EE9	31.63	15.413	.493	.727
EE10	31.80	16.028	.424	.737
EE11	32.70	14.769	.406	.744
EE13	32.70	16.562	.216	.771

**Scale Statistics**

Mean	Variance	Std. Deviation	N of Items
35.40	19.007	4.360	10

## APPENDIX C

### DEMOGRAPHIC VARIABLES

#### Frequencies – Demographic variables

##### Statistics

	Organization	Age	Gender	Race	Academic	Department	LengthSvs
N	Valid	103	103	103	103	103	103
	Missing	0	0	0	0	0	0
Mean		2.25	1.53	1.25	2.82	3.81	2.78
Std. Deviation		.622	.501	.763	.724	1.869	1.481
Minimum		1	1	1	1	1	1
Maximum		5	2	4	4	6	5

##### Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 25 years	5	4.9	4.9	4.9
	25 to 34 years	71	68.9	68.9	73.8
	35 to 44 years	24	23.3	23.3	97.1
	45 to 54 years	2	1.9	1.9	99.0
	55 and above	1	1.0	1.0	100.0
	Total	103	100.0	100.0	

##### Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	48	46.6	46.6	46.6
	Female	55	53.4	53.4	100.0
	Total	103	100.0	100.0	

### Race

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Malay	92	89.3	89.3	89.3
	Chinese	1	1.0	1.0	90.3
	Indian	5	4.9	4.9	95.1
	Others	5	4.9	4.9	100.0
	Total	103	100.0	100.0	

### Academic

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Secondary	5	4.9	4.9	4.9
	Diploma	23	22.3	22.3	27.2
	Degree	61	59.2	59.2	86.4
	Master/PHD	14	13.6	13.6	100.0
	Total	103	100.0	100.0	

### Department

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	HR/Admin	19	18.4	18.4	18.4
	Finance/Account	13	12.6	12.6	31.1
	Corporate Affair	12	11.7	11.7	42.7
	IT	9	8.7	8.7	51.5
	Academic	25	24.3	24.3	75.7
	Others	25	24.3	24.3	100.0
Total		103	100.0	100.0	

### LengthSvs

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 2 years	26	25.2	25.2	25.2
	2 to 4 years	26	25.2	25.2	50.5
	5 to 7 years	18	17.5	17.5	68.0
	8 to 10 years	11	10.7	10.7	78.6
	more than 10 years	22	21.4	21.4	100.0
	Total	103	100.0	100.0	

## APPENDIX D

### FREQUENCIES OF IV AND DV

#### Frequencies of IV and DV

Statistics

		ec	ed	π	ee
N	Valid	103	103	103	103
	Missing	0	0	0	0
Mean		3.1942	3.2120	2.6359	3.6592
Std. Deviation		.76451	.88290	.86469	.43101
Minimum		1.33	1.00	1.00	2.50
Maximum		4.33	4.67	4.33	4.80

## Frequency Table

employeecommunication

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.33	1	1.0	1.0
	1.50	4	3.9	4.9
	1.67	1	1.0	5.8
	1.83	3	2.9	8.7
	2.00	3	2.9	11.7
	2.17	3	2.9	14.6
	2.33	2	1.9	16.5
	2.50	5	4.9	21.4
	2.67	6	5.8	27.2
	2.83	2	1.9	29.1
	3.00	9	8.7	37.9
	3.17	9	8.7	46.6
	3.33	9	8.7	55.3
	3.50	7	6.8	62.1
	3.67	6	5.8	68.0
	3.83	15	14.6	82.5
	4.00	12	11.7	94.2
	4.17	2	1.9	96.1
	4.33	4	3.9	100.0
Total	103	100.0	100.0	

**employee development**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.00	2	1.9	1.9	1.9
	1.17	1	1.0	1.0	2.9
	1.33	3	2.9	2.9	5.8
	1.67	1	1.0	1.0	6.8
	1.83	4	3.9	3.9	10.7
	2.00	4	3.9	3.9	14.6
	2.17	3	2.9	2.9	17.5
	2.33	5	4.9	4.9	22.3
	2.50	5	4.9	4.9	27.2
	2.83	3	2.9	2.9	30.1
	3.00	3	2.9	2.9	33.0
	3.17	7	6.8	6.8	39.8
	3.33	7	6.8	6.8	46.6
	3.50	10	9.7	9.7	56.3
	3.67	14	13.6	13.6	69.9
	3.83	6	5.8	5.8	75.7
	4.00	13	12.6	12.6	88.3
	4.17	5	4.9	4.9	93.2
	4.33	5	4.9	4.9	98.1
	4.50	1	1.0	1.0	99.0
	4.67	1	1.0	1.0	100.0
Total		103	100.0	100.0	

**rewardsrecognition**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.00	6	5.8	5.8	5.8
	1.17	1	1.0	1.0	6.8
	1.33	4	3.9	3.9	10.7
	1.50	2	1.9	1.9	12.6
	1.67	6	5.8	5.8	18.4
	1.83	3	2.9	2.9	21.4
	2.00	7	6.8	6.8	28.2
	2.17	6	5.8	5.8	34.0
	2.33	5	4.9	4.9	38.8
	2.50	5	4.9	4.9	43.7
	2.67	9	8.7	8.7	52.4
	2.83	10	9.7	9.7	62.1
	3.00	7	6.8	6.8	68.9
	3.17	7	6.8	6.8	75.7
	3.33	1	1.0	1.0	76.7
	3.50	9	8.7	8.7	85.4
	3.67	4	3.9	3.9	89.3
	3.83	3	2.9	2.9	92.2
	4.00	4	3.9	3.9	96.1
	4.17	3	2.9	2.9	99.0
	4.33	1	1.0	1.0	100.0
	Total	103	100.0	100.0	

**employeengagement**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2.50	1	1.0	1.0	1.0
	2.60	1	1.0	1.0	1.9
	2.80	2	1.9	1.9	3.9
	2.90	1	1.0	1.0	4.9
	3.00	1	1.0	1.0	5.8
	3.10	4	3.9	3.9	9.7
	3.20	8	7.8	7.8	17.5
	3.30	4	3.9	3.9	21.4
	3.40	9	8.7	8.7	30.1
	3.50	7	6.8	6.8	36.9
	3.60	14	13.6	13.6	50.5
	3.70	11	10.7	10.7	61.2
	3.80	6	5.8	5.8	67.0
	3.90	12	11.7	11.7	78.6
	4.00	6	5.8	5.8	84.5
	4.10	5	4.9	4.9	89.3
	4.20	4	3.9	3.9	93.2
	4.30	1	1.0	1.0	94.2
	4.40	1	1.0	1.0	95.1
	4.50	1	1.0	1.0	96.1
	4.60	2	1.9	1.9	98.1
	4.80	2	1.9	1.9	100.0
Total		103	100.0	100.0	

## APPENDIX E

### RELIABILITY

#### 1. Employee Communication (EC)

##### Warnings

The space saver method is used. That is, the covariance matrix is not calculated or used in the analysis.

##### Case Processing Summary

		N	%
Cases	Valid	103	100.0
	Excluded <sup>a</sup>	0	.0
	Total	103	100.0

a. Listwise deletion based on all variables in the procedure.

##### Reliability Statistics

Cronbach's Alpha	N of Items
.881	6

##### Item Statistics

	Mean	Std. Deviation	N
EC1	3.19	.991	103
EC2	3.44	.859	103
EC3	3.30	.948	103
EC4	3.14	.908	103
EC5	3.06	.968	103
EC6	3.04	1.102	103

### Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
EC1	15.97	14.499	.737	.852
EC2	15.73	16.572	.533	.884
EC3	15.86	14.824	.728	.854
EC4	16.03	15.068	.730	.854
EC5	16.11	14.763	.718	.856
EC6	16.13	14.033	.702	.860

### Scale Statistics

Mean	Variance	Std. Deviation	N of Items
19.17	21.041	4.587	6

## 2. Employee Development (ED)

### Warnings

The space saver method is used. That is, the covariance matrix is not calculated or used in the analysis.

### Case Processing Summary

		N	%
Cases	Valid	103	100.0
	Excluded <sup>a</sup>	0	.0
	Total	103	100.0

a. Listwise deletion based on all variables in the procedure.

### Reliability Statistics

Cronbach's Alpha	N of Items
.912	6

**Item Statistics**

	Mean	Std. Deviation	N
ED1	3.42	.934	103
ED2	3.18	1.100	103
ED3	2.92	1.045	103
ED4	3.35	1.073	103
ED5	3.35	1.064	103
ED6	3.05	1.132	103

**Item-Total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
ED1	15.85	22.028	.589	.917
ED2	16.09	18.884	.833	.884
ED3	16.35	19.720	.781	.892
ED4	15.92	19.014	.844	.883
ED5	15.92	20.131	.712	.902
ED6	16.22	19.214	.762	.895

**Scale Statistics**

Mean	Variance	Std. Deviation	N of Items
19.27	28.063	5.297	6

### 3. Reward & Recognition (RR)

#### Warnings

The space saver method is used. That is, the covariance matrix is not calculated or used in the analysis.

#### Case Processing Summary

	N	%
Cases	Valid	103
	Excluded <sup>a</sup>	0
	Total	103
		100.0

a. Listwise deletion based on all variables in the procedure.

#### Reliability Statistics

Cronbach's Alpha	N of Items
.915	6

#### Item Statistics

	Mean	Std. Deviation	N
RR1	3.05	.954	103
RR2	3.04	1.019	103
RR3	2.55	1.082	103
RR4	2.22	1.075	103
RR5	2.48	.979	103
RR6	2.48	1.074	103

#### Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
RR1	12.77	19.749	.738	.903
RR2	12.78	18.979	.777	.898
RR3	13.26	18.391	.792	.896
RR4	13.59	19.303	.684	.911
RR5	13.34	19.305	.774	.899
RR6	13.34	18.325	.809	.893

### Scale Statistics

Mean	Variance	Std. Deviation	N of Items
15.82	26.917	5.188	6

## 4. Employee Engagement (EE)

### Warnings

The space saver method is used. That is, the covariance matrix is not calculated or used in the analysis.

### Case Processing Summary

	N	%
Cases	Valid	100.0
	Excluded <sup>a</sup>	.0
	Total	100.0

a. Listwise deletion based on all variables in the procedure.

### Reliability Statistics

Cronbach's Alpha	N of Items
.701	10

### Item Statistics

	Mean	Std. Deviation	N
EE1	4.04	.713	103
EE3	3.26	.816	103
EE4	3.43	.800	103
EE5	3.63	.804	103
EE6	3.65	.882	103
EE7	4.28	.678	103
EE9	3.69	.852	103
EE10	3.62	.794	103
EE11	2.95	1.141	103
EE13	4.04	.713	103

**Item-Total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
EE1	32.55	15.367	.483	.660
EE3	33.33	15.694	.343	.681
EE4	33.17	15.982	.306	.687
EE5	32.96	16.528	.214	.702
EE6	32.94	15.506	.330	.684
EE7	32.31	15.804	.429	.669
EE9	32.90	15.245	.392	.672
EE10	32.97	15.931	.318	.685
EE11	33.64	14.056	.376	.680
EE13	32.55	15.367	.483	.660

**Scale Statistics**

Mean	Variance	Std. Deviation	N of Items
36.59	18.577	4.310	10

## APPENDIX F

### CORRELATION OUTPUT

#### Correlations

	empcom	empdev	rewreg	empeng
empcom Pearson Correlation	1	.649**	.602**	.159
Sig. (2-tailed)	.	.000	.000	.108
N	103	103	103	103
empdev Pearson Correlation	.649**	1	.660**	.044
Sig. (2-tailed)	.000	.	.000	.656
N	103	103	103	103
rewreg Pearson Correlation	.602**	.660**	1	.228*
Sig. (2-tailed)	.000	.000	.	.021
N	103	103	103	103
empeng Pearson Correlation	.159	.044	.228*	1
Sig. (2-tailed)	.108	.656	.021	.
N	103	103	103	103

\*\*. Correlation is significant at the 0.01 level (2-tailed).

\*. Correlation is significant at the 0.05 level (2-tailed).

## APPENDIX G

### REGRESSION OUTPUT

#### Variables Entered/Removed<sup>a</sup>

Model	Variables Entered	Variables Removed	Method
1	rr, ec, ed <sup>a</sup>	.	Enter

a. All requested variables entered.

b. Dependent Variable: ee

#### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.284 <sup>a</sup>	.081	.053	.41946

a. Predictors: (Constant), rewardrecognition, employeecommunication, employeeengagement, employeedevelopment

#### ANOVA<sup>b</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.530	3	.510	2.899	.039 <sup>a</sup>
	Residual	17.419	99	.176		
	Total	18.949	102			

a. Predictors: (Constant), rewardrecognition, employeecommunication, employeeengagement, employeedevelopment

b. Dependent Variable: employeeengagement

#### Coefficients<sup>a</sup>

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1	(Constant)	3.400	.186		.000
	empcomm	.074	.075	.131	.325
	empdevelop	-.120	.069	-.246	.085
	rewardrego	.155	.067	.311	.023

a. Dependent Variable: employeeengagement