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:

RINI WATI BINTI ABDULLAH

KOLEJ PERNIAGAAN
(College of Business)
Universiti Utara Malaysia

PERAKUAN KERJA KERTAS PROJEK
(Certification of Project Paper)

Saya, mengaku bertandatangan, memperakukan bahawa
RINI WATI BINTI SHAHRIL (803561)

Calon untuk Ijazah Sarjana
(Candidate for the degree of) **MASTER OF HUMAN RESOURCES MANAGEMENT**

telah kertas projek yang bertajuk
*(has presented his/her project paper of the following title)*

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

Seperti yang tercatat di muka surat tajuk dan kulit kertas projek
(as it appears on the title page and front cover of the project paper)

Bahawa kertas projek tersebut boleh diterima dari segi bentuk serta kandungan dan meliputi bidang ilmu dengan memuaskan.
(that the project paper acceptable in the form and content and that a satisfactory knowledge of the field is covered by the project paper).

Nama Penyelia   :   **MR GHAZALI BIN DIN**
(Name of Supervisor)

Tandatangan   :
(Signature)
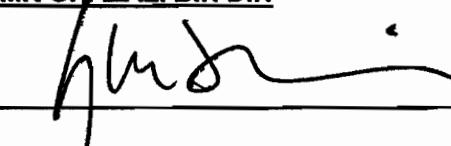
Tarikh   :   **29 SEPTEMBER 2010**
Date)

PERMISSION TO USE

In presenting this project paper in partial fulfilment of the requirements for a Post Graduate degree from the Universiti Utara Malaysia (UUM), I agree that the Library of this university may make it freely available for inspection. I further agree that permission for copying this project paper in any manner, in whole or in part, for scholarly purposes may be granted by my supervisor or in their absence, by the Assistant Vice Chancellor of the College of Business where I did my project paper. It is understood that any copying or publication or use of this project paper or parts of it for financial gain shall not be allowed without my written permission. It is also understood that due recognition shall be given to me and to the Universiti Utara Malaysia (UUM) in any scholarly use which may be made of any material in my project paper.

Request for permission to copy or to make other use of materials in this project paper in whole or in part should be addressed to:

Assistant Vice Chancellor

College of Business

Universiti Utara Malaysia

06010 Sintok

Kedah Darul Aman

DISCLAIMER

The author is responsible for the accuracy of all opinion, technical comment, factual report, data, figures, illustrations and photographs in this dissertation. The author bears full responsibility for the checking whether material submitted is subject to copyright or ownership right. Universiti Utara Malaysia (UUM) does not accept any liability for the accuracy of such comment, report and other technical and factual information and the copyright or ownership rights claims.

The author declares that this dissertation is original and his own except those literatures, quotations, explanations and summarizations which are duly identified and recognized. The author hereby granted the copyright of this dissertation to College of Business, Univeristi Utara Malaysia (UUM) for publishing if necessary.

Date: Student Signature: _____

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.

ACKNOWLEDGEMENTS

In the name of Allah, the Most Beneficent, the Most Merciful and peace be upon our Prophet Muhammad S.A.W. My utmost syukur Alhamdullilah for everything given by Allah. I would like to take this opportunity to extend my utmost gratitude and sincere appreciations to the following peoples that had made this day a realization. This project had been successfully completed with their helps whether directly or indirectly. My deepest appreciation and thanks goes to my supervisor En. Ghazali Din. With his endless effort, dedication, patience, advice and support this thesis could possibly comply with the date line.

I also would like to extend my thankfulness to my family, especially to my husband Ahmad Adly Azizi who have shown me their support and assistance in accomplishment of this thesis. Not forgetting all dearest lecturers throughout my master study who has shared their knowledge of my study in UUM.

May Allah bless all of you, Amen.

TABLE OF CONTENT

CHAPTER 2: LITERATURE REVIEW

CHAPTER 3: RESEARCH METHODOLOGY & DESIGN

LIST OF TABLES

LIST OF FIGURES

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'.

1

The contents of the thesis is for internal user only

REFERENCES

Ashok Mukherjee. (2005). *Engagement for the mind body and soul*. Human Capital. Nerul, India.

Bates, S. (2004). Getting Engaged: Half of your workforce may be just going through the motions. *HR Magazine*, 44-51.

Baumark, R. (2004). The missing link: The role of employee engagement in business success, (report of a Hewitt Associates / Michael Treacy study). *Workspan*, 48-53.

Bernthal, P.R., & Wellins, R.S. (2003). *Leadership Forecast: A benchmarking study*. Pittsburgh, PA: Development Dimensions International.

Bernthal, P.R., & Erker, S. (2004). *Selection forecast: Recruiting and hiring talent*, Pittsburgh, PA: Development Dimensions International.

Blessing W. (2008). *Employer Engagement Report 2005 & 2008*. Princeton NJ: Princeton University.

Cawe, M. (2006). *Factors contributing to employee engagement in South Africa*. Johannersburg: University of Witwatersand.

CIPD, (2006). *How engaged are British employees? Annual survey report*. London: CIPD. www.cipd.co.uk

Conrad, C. (1994). *Strategic organizational communications: Towards the twenty first century*. New York: Harcourt Brace.

Cooper, D. R., & Schindler, P.S. (2008). *Business Research Methods* (10th ed). New York: McGraw Hill Companies, Inc.

Corporate Leadership Council (2004). *Driving performance and retention through employee engagement. Research summary*. Nova Nordisk A.S: Corporate Executive Board.

Clampitt, P. G., & Downs, C. W. (1993). Employee perceptions of the relationship between communication and productivity: A field study. *Journal of Business Communication*, 30(1): 5-28.

Dow Scott, (2010). *The impact of rewards programs on employee engagement.* Hay Group World at Work. Loyola Univeristy Tom McMullen.

Elizabeth J. Karsina, (2009). *Best practices for employee engagement. A research Paper.* Menomonie: University of Wisconsin-Stout.

Frank, A., & Brownell, J. (1989). *Organizational commu-nication and behavior: communicating to improve performance*. Orlando, FL: Holt, Rinehart & Winston.

Fleming, J, H., Coffman, C., & Harter, J. K. (2005). Manager your human sigma. *Harvard Business Review*, 83(7/8), 106-114.

Gallup, Inc. (2003). Retrieved from www.gallup.com. Engaged workers index.

Gallup (2004). The Gallup Organization. www.gallup.com

Harter. J. K., Schmidt, F.L., & Hayes. T. L., (2002). Business-unit-level relationship between employee satisfaction, employee engagement, and business outcomes: A meta-analysis. *Journal of Applied Psychology*, 87, 268-279.

Hewitt Associates, LLC. (2008). Hewitt engagement survey. Retrieved form http://www.hiewittassociates.com/Int/N.A/en-us/ourservices/ServicesTool.

Heathfield, S.M. (2005). The power of positive employee recognition: How to provide Effective employee recognition. Retrieved from www.about.com.

65

Hochschild, A.R. (1983). *The managed heart: Commercialization of human feeling.* Berkley, C.A.: University of California Press.

ISR (2003). Engaged employee drivers the bottom line. *Research summary*, Chicago. Illinois 10-35.

Kahn, W.A. (1992). To be fully there: Psychological presence at work. *Human relations*, 45, 321-349.

Kahn, W.A. (1990). Psychological conditions of personal engagement and disengagement at work. *Academy of management journal.* 33, 692-724.

Kore Access. (2008). *Drive business success through improved employee engaged engaged.* www.koreaccess.com.

Luthan, F. (2001). Employee engagement and manager self-efficacy; Implications for managerial effectiveness and development. *Journal of Management Development*, 21(5). 376-387.

Maslach, C., Schaufelli, W.B. and Leither, M.P. (2001), " Job burnout". *Annual Review of Psychology*, 52, 397-422.

May, D.R., Gilson, R.L., & Harter, L.M. (2004). The psychological conditions of meaningfulness, safety and availability and the engagement of the human spirit at work. *Journal of Occupational & Organizational Psychology*, 77, 11-37.

Melcrum Publishing, (2005). *Employee Engagement*, Melcrum, UK: An Independent & Research Report.

Mowday, R.T., Steers, R.M., & Porters, L.W.(1979). The measurement of organizational Commitment. *Journal of Vocational Behavior*, 14. 224-247.

Nunnally, J.C. (1978). *Psychometric theory* (2nd Ed). New York: McGraw-Hill.

Paradise, A. (2008). Influences engagement *T+D*, 62(1), 54-59. Retrieved November 19, 2008, from Academic Search Elite database.

Ramsay, C. S. (2006). Engagement at Intuit: It's the people. In J. D. Kaufman (Chair), Defining and measuring employee engagement: Old wine in newbottles? Symposium conducted at the Society for Industrial and Organizational Psychology 21st Annual Conference, Dallas, Texas.

Robinson, D., Perryman, S. & Hayday, S. (2004). The drivers of employee engagement. *Institute of Employment Studies Report*, 408, 2.

Rothbard, N.P. (2001), "Enriching or depleting? The dynamic of engagement in work and family roles". *Administrative Science Quarterly*, Vol. 46, pp. 655-84.

Saks, A.M. (2006). Antecedents and consequences of employee engagement. *Journal of Managerial Psychology*. 21(6). 600-619.

Saks, A.M. (2008). The meaning and bleeding of employee engagement: How muddy is the water? *Industrial and Organizational Psychology*, 1, 40-43.

Schaufeli, W.B. and Baker, A.B. (2004). Job demands, job resources and their Relationship with burnout and engagement: a multi-sample study. *Journal of Organizational Behavior*, 25, 293-315.

Schaufeli, W.B., Salanova, M., Gonzalez-Roma, V. and Bakker, A.B. (2002). The measurement of engagement and burnout: a two sample confirmatory factor analytic approach. *Journal of Happiness Studies*, 3, 71-92.

Shaffer, J. (2004). *Measureable payoff: How employee engagement can boost Performance and profits*. New York: Communications world.

TowerPerrin (2008). *Confronting myths: What really matters in attracting, engaging and retaining your workforce?* New York: Global workforce study.

TowerPerrin (2005). *Tower Perrin 2004 European talent survey: Reconnecting with employees: Attracting, retaining and engaging your workforce. Research report*. London UK.

TowerPerrin. (2008). Tower Perrin global workforce study. Retrieved from
http://towersperrin.com/tp/showhtml.jsp?url=global/publications/gws/index

Vazirani, N., (2007). *Employee Engagement. SIES College of Management Studies.
Working paper series.*

Watson Wyatt. (2008). 2007/2008. Communication ROI Study. Secrets of top
performers; How companies with highly effective employee communication
differentiate themselves. Retrieved August 11, 2008, from
www.watsonwyatt.com.

Watson Wyat. (2001/2002). *Human capital index: Human capital as a lead
indicator of shareholder value.* Washingon, DC: Watson Wyatt Worldwide.

Wayne, S.J., Shore, L.M. & Liden, R.C. (1997). Perceived organizational support
and leader-member exchange: A social exchange perspective. *Academy of
Management Journal*, 40, 82-111.

Welbourne, T.M. (2007). Employee engagement: Beyond the fad and into the
executive suite-*Leader to Leader* 44, 45-51.

Wellins, R.S., Bernthal, P., & Phelps, M. (2005). *Development dimensions
International*, 1-30, Pittsburgh, P.A.

Wellin, R.S., Bernthal, P., & Phelps, M. (2006). Employee engagement: The key
to realizing competitive advantage. *Development Dimension International*,
Inc., MMV., 1-30.

Vance, R. J. (2006). *Employee engagement and commitment: A guide to
understanding measuring and increasing engagement in your organization.*
Alexandria, VA: SHRM Foundation.

Zikmund, W.G. (2003). *Business Research Methods.* (7th Edi.) Ohio: : South-Western: