

**THE INFLUENCE OF HUMAN RESOURCE PRACTICES ON  
EMPLOYEE WORK ENGAGEMENT**

**A thesis submitted to College of Business in partial  
fulfillment of the requirement for degree in  
Master of Science Management  
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**By**

**Rosmawati Binti Othman**

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## ABSTRACT

The main objective of this study is to investigate the influence of Human Resources Management (HRM) practices (employee communications, employee development and rewards and recognitions) on employee work engagement, as well as to determine whether demographic factors (age, gender, academic qualifications, job category, department and length of service) have any influence on employees work engagement.

To attain the objectives, the quantitative method was used and data were collected through questionnaires. A total of 152 questionnaires were distributed to 10 departments in a medical device manufacturing company in Perlis. Only 133 questionnaires were received and used for further analysis.

The data were analyzed using Pearson correlation, regression analysis and frequency test. The findings exhibited that, there were relationship between Human Resource practices with work engagement. However, only two dimensions of HR practices correlated with work engagement namely employee communication and employee development. Through the ANOVA test, the finding revealed that only three demographic variables have significant relationships with work engagement, which were job category, academic qualifications and length of service. Lastly, the regression analysis between HRM practices and work engagement indicated that only 9.5% of total variance of work engagement was explained by HRM practices.

In conclusion, it is observed that HRM practices have influence on the employee work engagement. Demographic factors also affect the engagement level of the employees. This shows that employers need to develop a proper and well-structured HRM policies in attaining high work engagement level among the employees.

## ABSTRAK

Objektif utama kajian ini adalah untuk mengkaji hubungan di antara amalan Pengurusan Sumber Manusia (komunikasi dan pembangunan pekerja, ganjaran dan penghargaan dalam pekerjaan) dengan work engagement, dan untuk memastikan sama ada faktor demografi (umur, jantina, tahap pendidikan, kategori kerja, jabatan dan tempoh perkhidmatan) memberi kesan terhadap work engagement dikalangan pekerja.

Untuk mencapai objektif kajian, kaedah kuantitatif telah digunakan dan data dikutip melalui pengedaran soal selidik. Jumlah keseluruhan 152 soal selidik telah diedarkan ke 10 jabatan di organisasi pengilangan barangan kesihatan di Negeri Perlis. Kesemua soal selidik dikutip semula, dan hanya 133 soal selidik digunakan untuk penganalisan selanjutnya.

Data dianalisa menggunakan ujian korelasi Pearson, analisis regresi dan frekuensi. Dapatan kajian menunjukkan wujud hubungan di antara amalan Pengurusan Sumber Manusia dengan work engagement. Walaubagaimanapun, hanya dua amalan Pengurusan Sumber Manusia menunjukkan hubungan dengan work engagement. Amalan tersebut adalah komunikasi dan pembangunan pekerja. Melalui ujian ANOVA menunjukkan hanya tiga faktor demografi mempunyai kesan terhadap work engagement di organisasi ini iaitu kategori kerja, tahap pendidikan, dan tempoh perkhidmatan. Akhir sekali, keputusan ujian regresi antara amalan Pengurusan Sumber Manusia dengan work engagement menunjukkan hanya 9.5% daripada jumlah variasi tersebut mempengaruhi work engagement pekerja di organisasi ini.

Kesimpulannya, dari pemerhatian ini didapati bahawa amalan Pengurusan Sumber Manusia dan faktor demografi telah mempengaruhi work engagement dikalangan pekerja. Ini menunjukkan bahawa pihak pengurusan perlu membuat perubahan dan penyusunan semula pembangunan secara teratur polisi-polisi Pengurusan Sumber Manusia ini supaya ianya dapat mencapai tahap pengukuhan dalam work engagement dikalangan pekerja di organisasi ini.

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## LIST OF ABBREVIATIONS

<b>Abbreviations</b>	<b>Description of Abbreviations</b>
WE	Work engagement
HRM	Human Resource Management
SPSS	Statistical Package for Social Science
KMO	Kaiser-Mayer Olkin
Varimax	Maximum Varian

# CHAPTER 1

## INTRODUCTION

### 1.1 Background of study

Manufacturing sector is one of the most important businesses in Malaysia. The manufacturing sector remains the largest source of employment opportunities, accounting for 27 percent of total employment or 2.455 million persons (Economic Report 2000/2001). The growing demand for labor in the sector, growing at 9.0 percent per annum during the period, coupled with industrial restructuring towards higher value-added products and activities, resulted in labor shortages not only at the production level but also at the skilled and semi-skilled levels (Eight Malaysian Plan, 2001-2005). This highlights the significant number of employees in Malaysia are working in manufacturing companies. It also emphasizes on the importance of man-management, i.e. human resource management practices.

However, due to the economic uncertainty, manufacturers all around the world are looking for ways to maximize their outputs while minimizing their costs. The increasing pressures from the rapid changes that are occurring in the business environment have led to a variety of responses among industrial organizations. Globalization of production and markets, the rate of technological innovation and fluctuation in consumer demand are among the factors that have increased the dynamism of the competitive environment to which organizations must respond. In employment

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