

**THE INFLUENCE OF EMPLOYEES COMMUNICATION, REWARDS AND
RECOGNITION AND EMPLOYEE DEVELOPMENT ON EMPLOYEES
ENGAGEMENT IN NEWFIELD EXPLORATION (MALAYSIA)**

A thesis submitted to the Faculty of Business Management in partial fulfillment of
the requirements for the degree Master of Human Resource Management,
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ABSTRACT

The main purpose of this study is to examine and to better understand on the drivers influencing employee engagement in Newfield Exploration (Malaysia). This study was done on 99 employees of Newfield Exploration (Malaysia) and data obtained from questionnaires and were being analyzed by using Statistical Package for Social Science (SPSS) version 16.

The statistical method of Pearson Correlation was used to determine the existence of the relationship between the independent variables which are Employee Communication, Rewards and Recognition and Employee Development with the dependent variable : Employee Engagement. Regression Analysis was conducted to examine the most important independent variable among the employees in Newfield Exploration (Malaysia), and Cronbach Alpha was used to further illustrate the reliability test. Throughout the statistical analysis of correlation analysis, it is found that there is a significant relationship between the three independent variables, which are Employee Communication, Rewards and Recognition and Employee Development with the dependent variable : Employee Engagement.

Among all three independent variable, employee communication is found to be the most independent variable in driving the employee engagement in Newfield Exploration (Malaysia).

This study will assist and help Newfield Exploration (Malaysia) to improve on its current employee engagement initiatives, also further enhance and develop more employee engagement initiatives to improve the overall employee engagement level in Newfield.

ABSTRAK

Tujuan utama kajian ini adalah untuk meneliti dan memahami dengan lebih mendalam tentang asas yang mempengaruhi penglibatan pekerja di Newfield Exploration (Malaysia). Kajian ini dilakukan keatas 99 orang pekerja di Newfield Exploration (Malaysia) dan data yang diperolehi daripada soal selidik dan dianalisa dengan menggunakan “Statistical Package for Social Science (SPSS)” versi 16.

Kaedah korelasi Pearson telah digunakan untuk menentukan kewujudan hubungan antara pembolehubah Komunikasi pekerja, Ganjaran dan pengiktirafan dan Pembangunan pekerja dengan pembolehubah bersandar – Penglibatan pekerja. Analisis regresi digunakan untuk memeriksa pembolehubah bebas yang paling penting dikalangan pekerja di Newfield Exploration (Malaysia). Alpha Cronbach digunakan untuk menguji ketetapan data.

Sepanjang analisis ini, didapati bahawa terdapat hubungan yang signifikan antara tiga pembolehubah, iaitu Komunikasi pekerja, Ganjaran dan pengiktirafan dan Pembangunan pekerja dengan pembolehubah bersandar – Penglibatan pekerja.

Antara ketiga tiga pembolehubah ini, didapati Komunikasi pekerja adalah yang paling penting dan mempengaruhi Penglibatan pekerja keseluruhannya di Newfield Exploration (Malaysia). Kajian ini dapat membantu Newfield Exploration (Malaysia) untuk meningkatkan inisiatif inisiatif dalam Penglibatan pekerja dan seterusnya meningkatkan taraf penglibatan pekerja terhadap Newfield Exploration (Malaysia).

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CHAPTER 1

INTRODUCTION

1.1 Background

“Companies with high levels of employee engagement earn returns that are more than double those of the overall market” (Heskett, 2011)

“Engagement is about creating opportunities for employees to connect with their colleagues, managers and wider organization. It is also about creating an environment where employees are motivated to want to connect with their work and really care about doing a good job...It is a concept that places flexibility, change and continuous improvement at the heart of what it means to be an employee and an employer in a twenty-first century workplace.” (Truss et al, 2006)

“A positive attitude held by the employee towards the organization and its values. An engaged employee is aware of the business context, and works with colleagues to improve performance within the job for the benefit of the organization. The organisation must work to develop and nurture engagement, which requires a two-way relationship between employee and employer.” (Robinson D, Perryman S, Hayday S. Report 408, Institute for Employment Studies, 2004)

“A set of positive attitudes and behaviours enabling high job performance of a kind which are in tune with the organisation’s mission.” (Storey, Wright, Ulrich, 2009)

Over the course of 30 years, The Gallup Organization researchers indicate thousands of investigations of successful employees, managers, and productive work groups have led to the development of their employee engagement model. While there is agreement with Kahn’s personal engagement definition (1990; 1992), Harter et al. (2002, 2003) refer to employee engagement as occurring when individuals are emotionally connected to others and cognitively vigilant and is understood to be “the individual’s involvement and satisfaction as well as enthusiasm for work” (Harter et al., 2002, p. 269). In the model of employee engagement delineated by Harter et al. (2003), 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 other words, employee engagement is the degree where an employee is engaged physically and emotionally, fully involved and enthusiastic about the work they are doing, often translated in how they perform and contribute. An engaged employee is aware of the business and at all time, exhibits positive

traits within their own job for the benefit of the organization. It's a two - way relationship, where organizations must also contribute in developing and nurturing the engagements rendered by the employees.

The instrument, named The Gallup Workplace Audit, is comprised of 12 items that measure employee perceptions of work characteristics (Harter et al., 2002). Harter et al. report these 12 items explain a large portion of the variance in “overall job satisfaction” and are antecedents of personal job satisfaction and other affective constructs. In 2002, Harter et al. reported the results of a metaanalysis that includes Gallup data from 42 studies conducted in 36 independent companies. This meta-analysis provides empirical evidence for the relationship between employee engagement and several organizational outcomes. Employee turnover, customer satisfaction-loyalty, and safety resulted in the strongest relationships to employee engagement ($r = 0.30$; $r = 0.33$; $r = 0.32$, respectively). Productivity and profitability also demonstrated positive correlations ($r = 0.25$; $r = 0.17$, respectively) (but of a lower magnitude) to engagement. In relation to the composite business performance (which included customer satisfaction-loyalty, profitability, productivity, and employee turnover outcomes) within a given company, “the business units above the company median on employee satisfaction-engagement realized 0.43 standard deviation higher performance in comparison to business units below the median” (Harter et al., 2002, p. 274). In addition, while there can be no causal claims made from these findings, the variation in unit performance within an organization points to those factors that are most proximal to the

employee. Employees' satisfaction with the manager or leader of the unit is cited as one such proximal factor.

In today's business, organizations have evolved in looking in depth into their 'people' as assets, which will help organization to fully utilize the human assets to sustain and remain competitiveness and relevance of the organization in the industry. Employees who are engaged in their work, dedicated and committed to their organizations provide a higher competitive edge, which includes higher productivity and lower attrition (Robert, 2006).

An engaged employees are likely to serve longer and stay in their organization (Ramsay & Finney, 2006). For example, Software giant Intuit, 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 (Ramsay & Finney, 2006).

Today, every organizations regardless of industry and manpower strength have invested substantially, if not exponentially in policies and practices that foster engagement and commitment in their workforces (Robert, 2006). Indeed, in identifying the three best measures of a company's health, business consultant and former General Electric CEO Jack Welch recently cited employee engagement first, with customer satisfaction and free cash flow coming in second and third, respectively (Welch & Welch, 2006).

Employee Communication as internal corporate communication is a term that has been used in public relations and corporate communications for years (Kazoleas & Wright, 2001; Van Riel & Fombrun, 2007; Wilcox, Cameron, Ault, & Agee, 2003; Zerfass, 2008). It is understood as communication between strategic managers and internal stakeholders designed to promote commitment and a sense of belonging to the organization, to develop awareness of its changing environment, and understanding of its evolving aims (Welch & Jackson, 2007). Senior management communication and open, effective communication strategies are recognized as having a crucial role in the development of positive employee engagement (Bakker, Albrecht, & Leiter, 2011; Bindl & Parker, 2010; Saks, 2006).

Employee engagement is expressed via positive physical, cognitive, and emotional work role performance (Kahn, 1990), it enables organizations to innovate and compete and has communication implications (Welch, 2011). To contribute to engagement, the organizational practice of internal corporate communication requires practical and theoretical consideration to enable communication perceived as appropriate by employees. Among other issues, insight into employee views of, and preferences for, mediated internal corporate communication is required. This paper draws on underpinning theory such as medium theory, previously utilised to discuss public relations media (Hallahan, 2010), to explore issues which impact employee communication preferences.

Rewards and recognition also influence and encourage employees' willingness to go the extra mile rather than doing the minimum. A form of reward is competency-based pay whereby employees are rewarded for mastering job-relevant knowledge, and also using those abilities to produce results that the organization values. This type of pay increases engagement by fostering the employees' pride in their new mastery (Vance, 2006:15). By recognizing contributions that employees make to sustain the future of the organization, the behaviour is reinforced and the employee would want to repeat this improvement. This enhances the employees' engagement (Townsend and Gebhardt, 2008:22). A study by Saks and Rotman (2006:612) revealed that recognition and rewards are significant antecedents of employee engagement.

When employees receive rewards and recognition from their organization, they will feel obliged to respond with higher levels of engagement (Saks and Rotman, 2006:605). Pollitt (2008:13) propose that organizations deploy a recognition scheme based around the organizations values, with regional, divisional, and overall organization prizes awarded to those who really live each of the values. Employee engagement is a key measure of success for all managers, and all employees should be measured against the values as part of the annual appraisal process. Recognizing and rewarding intangible values can be difficult. In order for the system to be fair, behaviours would have to be assessed using transparent and agreed assessment criteria. For recognition to be applied based on the method described by Pollitt (2008:13), this would mean employees need to be observed where and when behaviours, congruent to the values of the organization, are exhibited. The instrument for such

measurement could only be fellow employees or superiors who have a solid understanding of human behaviour, and are objective in their evaluation.

According to Vance (2006:13) regards the training and development of employees as a significant influence of employee engagement. For new recruits, this training starts from their induction and orientation. Induction training makes employees aware of organization policies and procedures, work schedules, the organogram and history and purpose. If induction training is performed effectively, it should leave new employees with a clear picture of their contribution to the organization's mission. This is linked to the earlier section on communication, which indicated that communicating a clear vision and mission assists with engaging employees. Another link can be made with recruitment, since induction can be seen as the last step in the recruitment process.

According to Durkin (2007:31), it suggests that organizations should prioritize the communication of their purpose and values, and then share this with employees. Through training and development, employees acquire the necessary knowledge and skills to perform their jobs. Vance (2006:13) found that employees who enhance their skills through training are more likely to engage fully in their work, because they derive satisfaction from mastering new tasks. Increasing the scope of an employee's job, through job design, is known as job enrichment. Job enrichment is the opposite of job enlargement, which essentially means the employee is merely doing more of the same work. In line with the literature reviewed, employees should be more engaged if their

jobs are enriched through training and development. Where employees feel that managers care about their development, they respond positively towards these managers, which in turn enhance the manager's self-efficacy. Employees who understand their purpose and mission in the organization are eager to find ways to accelerate their development. They constantly seek information about their training and development progress (Luthans and Peterson, 2001:376).

Not Engaged - this type of employees aren't necessarily negative or positive, these category of employees are those who adapt the wait-and-see attitude towards their job, Company and peers, as such they do not contribute or engage or commit themselves thoroughly in any employee engagement activities but rather observe them. Hence, this category are not known as the contributors, and they do not go the extra mile, they are neither there or here.

Actively Disengaged - this type of employees are often referred to as the 'cave dwellers' who are consistently against virtually everything that the Company is doing, be it the benefits or the activities, and are often those who seems to have issues with their peers, they are said to undermine what the engaged peers accomplish. Performance wise, these set of employees often does not perform up to expectations and needs improvement.

Engaged Employees - are the builders, this set of employees want to know the desired expectations out of their role, often they will either meet or exceed the expectations and are usually those who contributes to the Company's

mission, vision and objective. Often willing to go the extra mile, correct the wrong and improve any of the internal issues that the Company may have as according to their role. Their performance is consistently at high levels where sense of ownership and responsibility corresponds with their performance.

1.2 Problem Statement

According to Durkin (2007:31) maintains that employees are loyal to an organization when they connect to the purpose of their work, the vision of the organization, and when they think their contributions are making a difference. This loyalty leads to pride in their work, which means that they are apt to produce a better product. Further to this, Swanepoel, Erasmus, Van Wyk and Schenk (2003:760) indicate that human resource management should add value to the organization's goal to being successful. While employee engagement is at best applied through all departments in an organization, it should remain a key performance metric of HR professionals. Engagement should become part of the day-to-day management work. Only when managers (not just HR) own engagement, then it will not become just a passing fad (Welbourne, 2003:2).

Newfield Exploration Company (NYSE : NFX) is an independent crude oil and natural gas exploration and production Company headquartered in The Woodlands, Houston Texas, USA. It began with Gulf of Mexico as the focus and then expanded into the onshore Gulf Coast region in the mid 1990s and added the Mid-Continent region in 2001. Expanded into Rocky Mountains in

2004, and established operations in Malaysia and China the same year. (Newfield, fact sheet, International, 2006).

The purpose of this paper is to examine and analyze how employee communication, rewards and recognition and employee development in Newfield Exploration (Malaysia) can drive and influence the employee engagement. Independent variables are employee communication, rewards and recognition and employee development and the dependent variable is employee engagement. By research, to further probe on the employee engagement values and ways to enhance it as it correlates directly to employee satisfaction and organization's success as a whole.

With the growing manpower strength from year to year, Newfield Exploration (Malaysia) is at its vital point to determine the level of employee engagement and the main drivers behind it to remain its competitiveness. In the areas of employee communication, where most of the time, they are updated with the current happenings of the Company, but not themselves as employees. The lack of feedback sessions and moderate performance appraisal process, employees are often than not, needed more clarity on the performance bonus distribution and merit increment process.

In rewards and recognition, Newfield Exploration (Malaysia) needs to embark on a more systematic approach, where monetary rewards should be tied directly with individual, departmental and organizational goals, with this, it will eliminate internal equity issues also to ensure that retention of skilled

employees are being maintained and the competitive edge of the organization remain.

In the areas of employee development, there are no skills gap study being done and significantly unclear career path for individual, which leads to unplanned trainings or discrepancy in distribution of man-days between employees. Leaders in the organizations also need to contribute to this whereby it is part of their responsibilities to ensure each individuals are being developed accordingly.

With the global changes in the economics and industry, and also the ever increasing competition, the scarcity and high cost of resources within the oil and gas community, high labor costs, clients' demands for higher quality and pressures from stakeholders for greater returns on equity have prompted organizations to invest in employee engagements initiatives.

Employee engagement is positively is associated with customer satisfaction, customer loyalty, productivity and profitability, and negatively associated with turnover of employees (Harter, Schmidt, Haye's, 2002). It is also reported by a study that firms that employed highly engaged employees enjoyed a spread of more than 5% in operating margin and 3% in net margin compared to companies that employed disengaged employees (Towers Perrin, 2008).

Disengaged employee will cost an organization more, because a disengaged employee contributes to - lower productivity, higher absenteeism and

turnover, recruitment and training cost. With the current global evolving, management is focusing into organization effectiveness and to minimize the operating cost in order to be sustainable and relevant in the market. Besides that, with higher engaged employees will help the organization will be a focus in attracting new talents in labor market and become an employer of choice which eventually contributed to the organization competitive advantages (Robert, 2006). Therefore, this study will examine and investigate between employee communication, reward and recognition and employee development in relation to employee engagement.

Employee communication proves to be a factor in employee engagement. It influence directly towards employee's performance towards the Company, their motivation and level of engagement. There is minimal emphasize given to employee communication and how employee wants or needs their organization to communicate. It is found that an employee's primary needs include, first, more information about personal, job – related matter, and then, information about organizational decision making and a greater opportunity to voice out complaints and evaluate supervisors (Goldhaber, Porter, Yates, Lesnjak, 1978).

Furthermore, the notion that firms do well at communicating about the business is challenged by (Truss et al, 2006) who found that 25 % of employees say that their manager rarely or never makes them feel their work counts. And only around half of all employees say that their manager usually or always “consults me on matters of importance” or “keeps me in touch with

what is going on". In this study, 42 % of employees say that they are not kept very well informed about what is going on in their organization (Truss et al., 2006). An effective communication climate is, according to Robertson (2005), based on the following topics; job, personal, operational and strategic issues. Internal communication theory has to extend its scope to include linkages between internal corporate communication and organizational engagement (Welch, 2011) as a psychological state that links employees to their organization. Organizational engagement can be differentiated from job engagement which is aligned to job involvement (Fleck and Inceoghu, 2010) as an employees' psychological identification with his/her job. Organizational engagement is influenced by organization-level internal communication.

Employees nowadays are smart enough to realized that they can't be possibly working for a single employer long enough to retire. With less expectations of reciprocity, employees are tend to feel less committed to their job and organization (Robert, 2006). On the other hand, the claim have been made that engagement is needed for high level performance, based on a study, it was estimated that only 14 % to 30 % of the employees are engaged at work (Welbourne, 2007). For that, everyone seems to be on the path to get their employee engaged. To date, despite a surge in interest in improving engagement, people still disagree about what employee engagement is, how to go about getting it, and what it looks like when it achieved (Welbourne, 2007). Therefore, this research will study the employee communication, rewards and recognition and also career development in relation with employee engagement in Newfield Exploration (Malaysia).

1.3 Research Questions

The research questions are design to find the relationship of the independent variables, which are employee communication, reward and recognition and employee development with the dependent variable, which is employee engagement in Newfield Exploration (Malaysia):

1. Does employee communication affect the extent of employee engagement in Newfield Exploration (Malaysia)
2. Does reward and recognition affect the extent of employee engagement in Newfield Exploration (Malaysia)
3. Does employee development affect the extent of employee engagement in Newfield Exploration (Malaysia)
4. Which among the three independent is the most important driver relates to employee engagement?

1.4 Research Objectives

The main objective of the study is to examine which among variables contributes to employee engagement in Newfield Exploration (Malaysia) specifically, the objectives of this study are listed below:

1. To examine the relationship between employee communication and employee engagement in Newfield Exploration (Malaysia)
2. To examine the relationship between rewards and recognition and employee engagement in Newfield Exploration (Malaysia)

3. To examine the relationship between employee development and employee engagement in Newfield Exploration (Malaysia)
4. To identify which among the three independent variables is the most important driver relates to employee engagement in Newfield Exploration (Malaysia)

1.5 Significance of the study

This study can significantly contribute to Newfield Exploration (Malaysia) directly in determining the current level of its population's engagement and better understanding on which factors that could affect the employees engagement in the organization. It will also contribute to the corporate strategy, business unit level in forming their business strategy and the analytical and empirical researches. Ultimately, this study will also assist Newfield Exploration (Malaysia), to further strategize initiatives to enhances its performance by providing its employee engagement activities.

Employers expected loyalty to the organization by offering life time employment but with the recent increase global competition, employer needed to be more flexible in their deployment of employees and thus employer started to change that contract (Welbourne, 2007). On the other hand, employer still wants to have highly engaged employee in organization in order to achieve higher productivity (Welbourne, 2007). Hence, this study aimed to provide the management a comprehensive view about employee engagement

and an understanding that employee engagement is the key dominator in any organization's success.

Finally, it also can add to the existing literature of 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 and limitations of study

This research is restricting by several limitations. First of all the coverage of its independent variables may not be comprehensive enough to explore employee engagement as a whole concept. The research focuses on independent variables of namely employee communication, rewards and recognition and employee development only. While in employee engagement there are other drivers influencing it.

Respondents while it encompasses most of the employees in Newfield Exploration (Malaysia) it is not a full coverage of all the employees in the organization.

1.7 Organization of the study

There will be 5 chapters of altogether for the purpose of this paper. The first chapter comprises of the background of the study as an introduction, which is inclusive of the problem statement, research questions, research objectives and the significance of the study.

Chapter 2 will examine the term ‘employee engagement’ itself, and will further review other literatures and journals done by other papers and researchers.

Chapter 3 in this research presents methods of study, it is the research design and procedure undertaken for the study. In this chapter it will mention the selection criteria of the respondents, sample sizes and types, the construction and development of questionnaires of the research and the data collection method. At the end of Chapter 3, there will be a brief description of the strategies utilized and the analysis for the data collection in the survey.

Chapter 4 examines and discusses the interpretation for the research findings. The results are summarized and categorized in multiple charts and tables to support the interpretation.

Chapter 5, which is the final chapter, will discuss the interpretation of the research findings from the study. It will be compared and analyzed further against those journals and research found and reviewed in Chapter 2. Chapter 5 will conclude with further discussion and suggestions for the organization and future research.

1.8 Conclusion

To engage workers as well as to benefit from that engagement, organization must invest in its human resource practices, able to weigh how much engagement and commitment the company wants and at what cost. Most

important, organization must truly understand what are the factor that determined the employee engagement so that they can implement more effective human resource practices to enhance their employee engagement in the organization. This eventually will make the investment in Human Resource Practice sounds positive in return.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

This chapter reviews the related literature about the research problem as a foundation for developing a theoretical framework to be tested in this research.

This chapter organizing into seven parts namely employee engagement, type of employee, social exchange theory, the importance of employee engagement, driver of employee engagement, research framework and conclusion.

2.2 Employee Engagement

There different definition between different sets of scholars and organization.

The Corporate Leadership Council (2004), Blessing (2005), and Smythe (2005) definition on employee engagement are emphasized on employee cognitive connection to work or organization and subsequently behaviors that they demonstrate on the job satisfaction and commitment (both cognitive concepts) and their impact on how hard an employee is willing to work. Blessing (2005) also identifies retention as one of these behavioral outcomes.

Engagement is also defined and focuses on the emotional attachments. Bates (2004) and Gubman (2004) both generally refer to engagement as a heightened emotional attachment to one's work, organization, manager, or co-workers. Baumruk (2004) straddles the cognitive and emotional approaches by defining engagement as "the state in which individuals are emotionally and intellectually committed.

Another definition focuses primarily on the behavioral outcomes, regardless of the causes. Towers Perrin (2003) (2005), Shaffer (2004), refer to engagement as the employee's willingness to expend discretionary effort on the job. Walker Information (2005) places the emphasis on an employee's commitment to staying with his/her company.

An obstacle in compiling information on engagement has been the lack of a universal definition and measure (Melcrum Publishing, 2005), a limitation that still exists according to academic literature (Ferguson, 2007; Macey et al., in press). Specific engagement research began only in the early 1990s (see Kahn, 1990) Since then, researchers and practitioners have proposed various definitions and theory models which explain engagement and how it operates.

The different types of engagement identified varied across three main spectrums:

1. Engagement as a momentary or pervasive experience
2. The various sub-constructs that make up engagement

3. The engagement relationship as either: a relationship between employees and their organization, employees and their work role, or employees and their work colleagues.

In summary, employee engagement can be said that is related to mental processes of perception, memory, judgment, and reasoning (which is called cognitive); relating to mood, emotion, feeling and sensibilities (which is called affective), and behavioral.

2.3 Types of engagement

Different forms of engagement are presented below.

2.3.1 Personal Engagement

William Kahn's work on personal engagement was one of the first pieces of empirical research that tackled the engagement construct. Based on his PhD research (Kahn, 1987), Kahn describes in a subsequent published article (1990) how employees psychologically occupy their role at work on a moment-by-moment basis. His research was based on interviews with 16 summer camp counsellors and 16 members of an architecture firm. Different types of work conditions which appeared to promote engagement were analysed. Kahn theorised that people involved themselves to varying degrees in their work along physical, cognitive, and emotional dimensions. Depending on how involved / engaged they were, differences were noted their work

performance (Kahn). In Kahn's view, personal engagement occurred when employees were able to express their "preferred selves". The 'preferred self' refers to the dimensions of self that people prefer to use and express when performing a certain role. In other words, when employees behave in ways that feel natural to them, they become cognitively, emotionally, and psychologically involved in their work. For this state of engagement to be maintained, Kahn proposed that work needs to be experienced as meaningful, that employees feel they have the personal resources to invest in their work, and that employees feel safe to express themselves without negatively affecting their self-image or career (1990). If these three conditions were not met (meaningfulness, availability, and safety), employees were said to become disengaged withdrawing their cognitive, emotional and psychological energies. The resulting disconnection led to reduced effort, mechanical type behavior and burnout. In the only study that operationalized Kahn's theory and model, May et al. (2004) examined the relationship between engagement and the three conditions cited as necessary for engagement to occur. Results confirmed Kahn's theory, with significant positive relationships reported between all three work conditions (meaningfulness, availability, and safety) and engagement.

2.3.2 Employee Engagement

The term 'employee engagement' has been used in a number of ways, but for definition purposes, employee engagement will refer to the research conducted by large business consultancies (see Gallup; www.gallup.com, Hewitt

Associates; www.hewitt.com, Towers Perrin; www.towersperrin.com, ISR; www.isrinsight.com). Generally speaking, business consultancies have focused on how employee engagement affects the bottom line. As argued by Towers Perrin consultancy group: the main purpose of engagement is the outcome of employees' discretionary effort, as this is what drives organizational performance (2003). This concept is reflected in definitions used by other consultancies that emphasize the financial benefits of engagement, namely increased productivity, customer loyalty, profit, and shareholder return (Harter et al., 2002; Hewitt Associates, 2005b). Employee engagement refers to a pervasive state of being that employees experience based on their emotional and intellectual involvement with their organization (Hewitt Associates, 2003b; Towers Perrin, 2003). In this capacity, engagement is the measure of "energy and passion" that employees have for their organization. As a result of this energy and passion, employees take action to improve business results of their organization (Buckingham & Coffman, 1999; Hewitt Associates, 2003b). Organizations generate and maintain engagement by effectively managing engagement "drivers" (antecedents) that include a number of workplace facets such as leadership, rewards, coworker relations, work tasks, job resources, and career opportunities. This form of engagement is similar to that proposed in the current study, as it was most similar to the type of engagement operating at Newfield Exploration (Malaysia).

2.3.3 Work Engagement

Based on Maslach and Leiter's research, Schaufeli and colleagues (Schaufeli, Salanova, Gonzalez - Roma, & Bakker, 2002) refined the engagement / burnout continuum. They agreed with Maslach and Leiter (1997) that engagement and burnout were negatively related, but not opposites of the same continuum. Schaufeli et al. (2002) defined work engagement as consisting of vigor, dedication, and absorption, as opposed to Maslach and Leiter's (1997) form of engagement which consisted of energy, enthusiasm, and self efficacy. Essentially, the difference between the two forms of engagement was that Maslach and Leiter incorporated self efficacy, and Schaufeli and colleagues incorporated absorption into the engagement construct. Absorption was not part of Kahn's personal engagement, nor the consultancy based employee engagement, however, it was an integral part of vital engagement, which is explained below.

Engagement is a complex construct which explains the diversity in its interpretation. However, from both a research and applied perspective, definition clarity is important for the construct to gain validity and credibility. Not all commentary published on engagement takes the perspective that it is a creditable construct. One such practitioner, noted in the Melcrum Report (2005,p.13), considered engagement to be a concept driven by survey organisations as a way to distinguish themselves as measuring the latest behavioural construct noted for improving company profits. From his

perspective, engagement surveys were little more than job satisfaction surveys with a few additional questions.

Engagement has been compared with numerous constructs, the most common being job involvement, job satisfaction, and organisational commitment (see Leiter & Maslach, 2004; Mills, 2005). All three are explained here for comparative purposes with engagement.

confirmed. By exploring the relationship between engagement and continuance commitment, this current study aims to contribute to the understanding of engagement's nomological network.

2.4 The Cost of Disengagement

According to Fredrickson's broaden and build theory, negative emotions "narrow the momentary through – action repertoire" (Fredrickson, 2001, para. 23). The effect of negative emotions when extreme, prolonged or inappropriate result in serious problems such as phobias, anxiety disorders, aggression, depression, suicide, sexual dysfunction, eating disorders, and many stress related physical disorders (2002). In the workplace, disengagement is characterized by higher rates of absenteeism, higher staff turnover, and lower productivity (Melcrum Publishing, 2005). Disengaged employees are said to drain the company financially (Coffman & Gonzalez-Molina, 2002), reacting towards others with distrust, resistance, and blame, as well as focusing on problems not solutions, and demonstrating low levels of commitment (Coffman & Gonzalez – Molina,

2002). Disengaged employees tend to do their job and nothing more (Buckingham & Coffman, 1999). In extreme cases they may undermine or badmouth the organization (Wellins et al., 2005). With publications highlighting the competitive advantage of engagement and the cost of disengagement, interest in this human resource tool has been global.

As we can see, employee engagement involves an emotional and psychological connection with an organization and its people which can be translated into positive or negative behavior at work. The organization and its environments play a leading role in shaping employee attitudes and the state of engagement.

2.5 Importance of Engagement

According to Ashok (2005) engagement is important for managers to cultivate given that disengagement is the central to the problem of worker's lack of commitment and motivation. Other research using a different resource of engagement (involvement and enthusiasm) has linked it to such variables such as employee turnover, customer satisfaction - loyalty, safety and to a lesser degree, productivity and profitability criteria (Harter, Schmidt & Hayes, 2002). Some statistics revealed by established Human Resource consultancy, which give us a strong credence to the assumption that employee engagement actually causes an increase in a company's overall financial performance. For instance:

- The Corporate Leadership Council (2004) revealed that highly engaged employees had overall performance scores 20% higher scores than those of employees with average levels of engagement.
- Towers Perrin (2003) found a significant positive correlation between companies' employee engagement levels and their 1-year growth in total revenues compared to the average growth within their Dow Jones sector.
- ISR (2003) also revealed that companies with high levels of engagement saw an overall 3.74 percent increase in operating margin and a 2.06 percent increase in net profits over a one-year period, while companies with low employee engagement saw a 2 percent and 1.38 percent drop in these respective categories.
- Towers Perrin (Europe) (2005) continued these findings by calculating that a 5 percent increase in total employee engagement correlates to a 7 percent increase in operating margin.
- Over a five-year period Hewitt (2004) studied the engagement and various financial indicators of multiple companies and discovered the same correlation of engagement and performance as the other studies. However, since this was a longitudinal study, Hewitt discovered that when employee engagement levels increased, there was a

corresponding increase in financial performance indicators that followed.

Further to that Vazirani (2007) has also outlines some of the advantage of Engaged Employee as following:

- Engaged employees will normally perform better and are more motivated
- There is a significant link between employee engagement and profitability.
- Engaged Employee form an emotional connection with the company.
- They impact their attitude towards company's clients and thereby improve customer satisfaction and service levels.
- Engaged employee builds passion, commitment and alignment with the organization's strategies and goals.
- Engaged employees will increase employee's trust in the organization
- Engaged employees creates a sense of loyalty in a competitive environment.
- Engaged employees will provide a high-energy working environment and boost business growth.
- Makes the employees effective brand ambassadors for the company.

In additional, according to Harter, Schmidt and Hayes (2002), a highly engaged employee will consistently deliver beyond expectations. In the work place research on employee engagement Harter, Schmidt and Hayes (2002)

have repeatedly asked employee “whether they have the opportunity to do what they do best everyday” While one in five employees strongly agree with this statement. Those work units scoring higher on this perception have substantially higher performance.

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. As organization going globalize and become more dependent on technology in a virtual working environment, there is a greater need to connect and engage with employee to provide them with an organizational “identity” (Vazirani, 2007)

2.6 Drivers of Employee Engagement

According to Wellins, Berthal and Phelps (2005), the engagement drivers is the lead to the creation of an engaged workforce and environment. Once created the engaged work environment, it will have a positive impact on employee behavior and attitudes (Wage, 2003). Many different engagement studies such as Gallup organization, Tower Perrins, Hewitt, Blessing White, the Corporate Leadership Council and the Conference Board have used difference definitions of engagement to come up with 26 key drivers of engagement that managers must take into consideration when supervising their employees. Those drivers include doing exciting and challenging work; having career growth and learning and development opportunities; working with great

people, receiving fair pay; having supportive management and being recognized, valued and respected (Ketter, 2008).

Research on Employee Engagement by Vazirani (2007) listed some critical drivers which lead to Employee engagement some of them identified are:

2.6.1 Employee Communication

The company 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.

Good employee communication will help employee to understand their role and hence contribute to the organization success (Clampitt, 2005). The importance of employee communication in any organization has been proven when the CIPD survey reported that the two most important drivers of employee engagement are having opportunities to feed upwards and feeling well-informed about what is happening in the organization.

It is very clear that engagement begins with employees' clear understanding of what is happening in the organization (being informed). Employees should be kept well informed about the changes that affect their work groups so that they

aren't confused or surprised when those changes are introduced. Besides that, when organizations provide a clear sense of direction and keep employees well informed, employees are able to make the best use of their time, resources, and budgets, and, therefore, don't get off track when setting priorities or "spin their wheels" when taking action.

Communication also means that employees receive regular feedback about how well they are doing. DDI's *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 shaping action. A study by CIPD on How much the British Employee Engaged in year 2006 also found that two in five employees get feedback on how they are performing and those who get more feedback tend to perform better.

Employee communication can support employee engagement by simply ask employees how they feel and this principle can be applied to one-on-one relationships to build trust and to foster personal relationships with one's employees. It can also apply to organizations through the use well-designed communications tools and techniques. The key in any communication is to remain consistent, to make employee communication a regular routine, and to honestly respond to what one hears from employees (Bates, 2004). Similarly, Thomas et al. (2004) also stated that management needs to demonstrably value employee feedback where employees are listened to without fear of reprisal.

2.6.2 Rewards and Recognition

The company should have a proper pay system so that the employees are motivated to work in the organization. In order to boost his engagement levels the employees should also be provided with certain benefits and compensations.

According to Wayne et al. (1997), employees perhaps considered promotion to a higher position associated with an increase in salary, as the best way by which an organization could recognize employees' accomplishments. Besides that, Vaziarani (2007) urge that organization should have a proper pay system so that the employees are motivated to work in the organization. In order to boost the engagement levels of the employee, organization should be able to provide with certain benefits and compensation. Competitive package within a Company is important. Having said that, in any organization, it is essential to maintain the internal equity between employees. Salary structures and benefits tables needs to coincide with tenure, age, qualification, experience etc, so not to upset or create disparity between employees.

2.6.3 Career Development

Employee Development is driver refers to the degree to which an employee feels that specific efforts are being made by their company or manager to develop the employee's skills (The Conference Board, 2003; Baumruk, 2004; Towers Perrin-UK, 2005 & Walker Information, 2005). Through employee development program such as training, company can help new and current

employees acquire the knowledge skills they need to perform their jobs. when a Company nominates or sends an employee for a training programme, it will show the employee that the Company cares about the knowledge he acquires and wants him to know more in order to contribute to the organization hence the training.

2.6.4 Opportunities for Personal Development

Organizations with high levels of engagement provide employees with opportunities to develop their abilities, learn new skills, acquire new knowledge and realize their potential. When companies plan for the career paths of their employees and invest in them in this way their people invest in them. Adding to this is performance appraisal which will contribute to their personal development, fair evaluation of an employee's performance is an important criterion for determining the level of employee engagement. The company which follows an appropriate performance appraisal technique (which is transparent and not biased) will have high levels of employee engagement.

2.6.5 Effective Management of Talent

Career development influences engagement for employees and retaining the most talented employees and providing opportunities for personal development.

2.7 Conclusion

While employee engagement is defined differently by different researchers and organizations, some common themes emerged during the literature review. The literature reviewed clearly indicates that there is strong link between employee engagement and employee communication, rewards and recognition and employee development, which contributes to business success.

The next chapter will discuss the research methodology used in this study.

CHAPTER 3

METHODOLOGY

3.1 Research Framework

Based on the literature review and research problem, the following research frame work has been developed. This model focuses on the drivers that could have effect on the employee engagement in Newfield Exploration (Malaysia). The independent variables are the predictors to employee engagement namely employee communication, reward and recognition and employee development program. Employee engagement itself is the dependent variable.

This chapter revealed the methods used to study the relationships between the independent variables and the dependent variable. This chapter outlines the research design, the sources of data, unit of analysis, the population frame, the sample and sampling technique, the measurement, the collection and administration of data and finally the technique of analyzing data.

3.1.1 Independent Variable

Independent variable, as it is the variable manipulated by the researcher, thereby causing an effect or change on the dependent variable (Cooper and Schindler 2008). This study examined 3 independent variables namely

employee communication, rewards and recognition and employee development.

3.1.2 Dependent Variable

According to Cooper and Schindler (2008) the dependent variable is a measured, predicted, or otherwise monitored by the researcher; expected to be affected by a manipulation of the independent variable. In this research, the researcher investigated employee engagement as the dependent variable.

The model of the study has been depicted as the following figure.

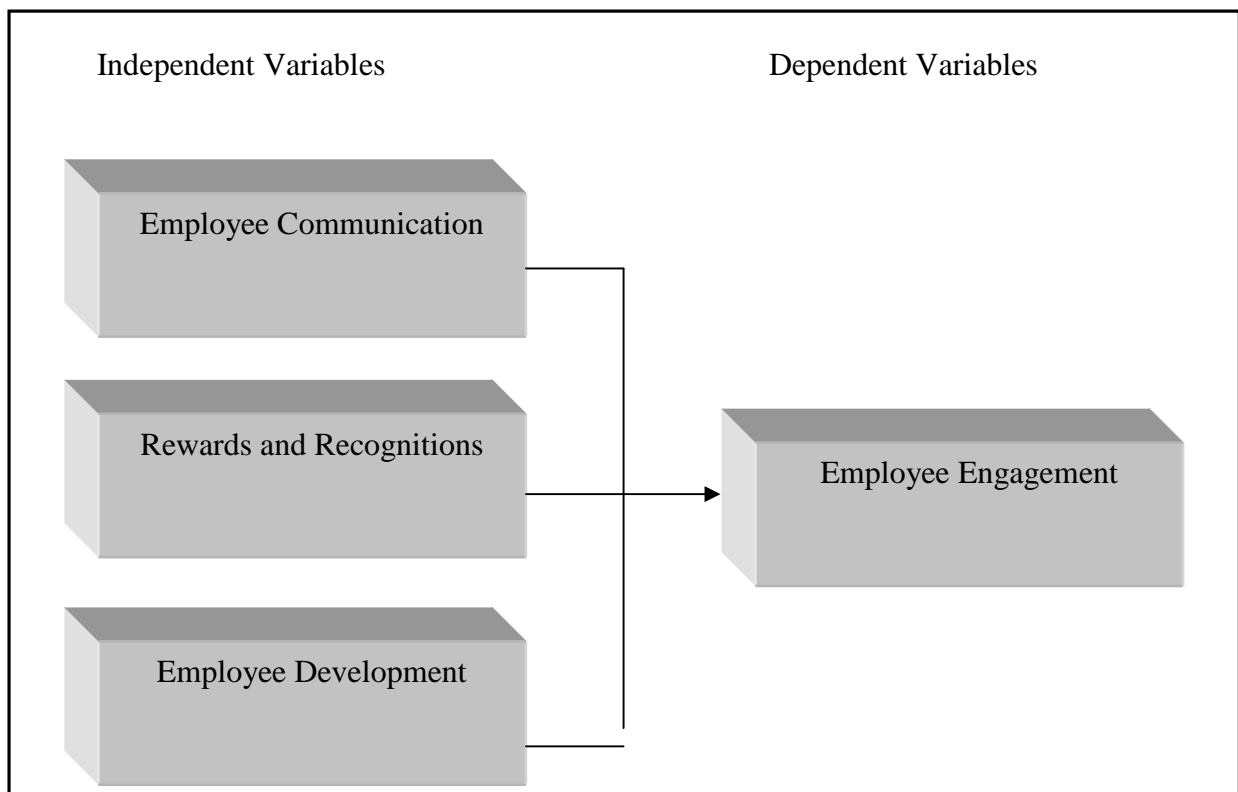


Figure 3.1: Research Framework

3.2 Hypotheses / Propositions Development

3.2.1 Employee Communication and Employee Engagement

In the companies surveyed by ASTD, 90% of the study agreed that they should clarify and communicate their organization's mission and goals to all the employees. However, in a study carried out in by The Investors in People Standard 2004, just 55% of employees believed they were being kept informed about what their company was doing, and only 65% felt that they were given enough information to do their jobs effectively. Thus we hypothesized that:

Hypothesis 1

H0: There is no significance relationship between employee communication and employee engagement in Newfield Exploration (Malaysia).

HA: There is significance relationship between employee communication and employee engagement in Newfield Exploration (Malaysia).

3.2.2 Reward and Recognition and Employee Engagement

People like to be recognized for their unique contributions. Interestingly, although many organizations provide formal rewards and recognition programs for employee ideas and contributions, many employees are hungry for more day-to-day informal recognition (Wellins, Bernthal & Mark, 2003). Employees who feel they are listened to, supported, and recognized for their contributions are likely to be more engaged (Wellins, Bernthal & Mark, 2003). The U.S. Department of Labor confirms that lack of employee appreciation

plays a critical role in employees' decisions to leave their organizations (Wellins, Bernthal & Mark, 2003). Besides that appropriate reward and recognition can help to build the psychological contract, in which employees feel valued by their employer, and the employer values (and is seen to value) employees' contributions. Enhanced employee commitment should in turn feed into improved work performance, reduce staff turnover and make it easier to recruit good employees because the employer has a positive image (Wellins, Bernthal & Mark, 2003). Thus we hypothesized that:

Hypothesis 2

H0: There is no significance relationship between reward and recognition and employee engagement in Newfield Exploration (Malaysia).

HA: There is significance relationship between reward and recognition and employee engagement in Newfield Exploration (Malaysia).

3.2.3 Employee Development and Employee Engagement

ASTD research found that employee desire opportunity to growth and advancement in their organization have a direct effect on engagement whereby 65% of the respondents answered that the "quality of training and learning opportunities" positively influence employee engagement to a high or very high extent – the strongest response of the survey. 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. Hence, organizations can create

engagement in their workforce by building a learning culture and creating individual development plans for every employee (Wellins, Bernthal & Mark, 2003). Studies have also found that investments in development programs are significantly related to financial success in the organization (Wellins, Bernthal & Wellins. 2003).

ASTD survey found that most employees want to use their best skills and will feel engaged when organizations recognize and capitalize on their unique strengths, rather than placing emphasis on fixing weaknesses. However, A study by CIPD in year 2006 on How Much British Employee Engaged found that around a third of the respondent said 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:

Hypothesis 3

H0: There is no significance relationship between employee development and employee engagement in Newfield Exploration (Malaysia).

HA: There is significance relationship between employee development and employee engagement in Newfield Exploration (Malaysia).

Hypothesis 4

H0: All the independent variables are equally significant to employee engagement in Newfield Exploration (Malaysia).

HA: Only one of the independent variable is highly significant to the employee engagement in Newfield Exploration (Malaysia).

3.3 Research Design

A research design is a frame work or blue print for conducting the research. It specifies the details or the procedures necessary for obtaining the information needed to structure and to solve research problem (Malhotra, 1999).

The purpose of this study is to examine the factors that contributed to Employee

Engagement in Newfield Exploration (Malaysia). This type of research is a correlational study because involve independent variables such as employee communication, rewards and recognition and employee development. These independent variables may or may not contribute to employee engagement in Newfield Exploration (Malaysia).

3.4 Sources of Data

Primary data and secondary data were used in this study.

3.4.1 Primary Data

According to Uma Sekaran (2000), primary data is information that first obtained by the researcher on the variables of interest for the specific purpose of study. To obtain the information, researcher has distributed a set of questionnaires to employees in Newfield Exploration (Malaysia).

3.4.2 Secondary Data

Secondary data refer to the information gathered by someone than the researcher

conducting the current study such as company record, publication, industry analysis offered by the media, web publications and so on (Uma Sekaran, 2000). It is less time consuming and cheap to obtain the secondary data as it is already prepared by other experts. The secondary date is to get more information that could support the primary data, strengthen the information and also assist the researcher to interpret the primary data correctly. At times, secondary data can also give an insight to the researcher on the subject matters from difference perspective. For this study, researcher gathered the secondary data from Newfield's annual reports, various articles, various magazines, to support the literature review. The secondary data consists of both internal and external data sources. External Sources: Journals, articles, books while internal sources. Secondary data is used to elaborate in Chapter 1.

3.5 Measurement Items

The instrument for the study would be the questionnaire which is intended to identify the drivers that contribute to employee engagement in Newfield Exploration (Malaysia). The questionnaire was adapted and modified to suite the context of employees in Newfield Exploration (Malaysia).

Table 3.1:

Measurement Items

Variables	Items	Scales	Sources
Employee Communication	7	Five - point Likert Scale	Gallup Organization developed a 12-question survey http://www.custominsight.com/employee-engagement-survey/sample
Rewards & Recognition	7	Five - point Likert Scale	Gallup Organization developed a 12-question survey http://www.custominsight.com/employee-engagement-survey/sample
Employee Development	7	Five - point Likert Scale	Gallup Organization developed a 12-question survey http://www.custominsight.com/employee-engagement-survey/sample

Employee Engagement	8	Five - point Likert Scale	Gallup Organization developed a 12-question survey http://www.custominsight.com/employee-engagement-survey/sample
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This questionnaire contains 2 (two) parts consist of Section A and Section B.

Section A consists of the questions to gather the information about the profile of the respondent. Section B1, B2, B3 and B4 is to measure items that are related to Employee Engagement.

Table 3.2:

Layout of the questionnaires

Section	Variables	Number of Items
A	Gender Education level Age Nationality Department Position level Length of Service Total years of experience	8

B1	Employee Communication	7
B2	Rewards & Recognition	7
B3	Employee Development	7
B4	Employee Engagement	7

Two scales were used in this research. The first is nominal scale used in section A, Likert scale is used for sections B1,B2, B3 and B4. Likert scale is used when responses to various items that measure a variable can be tapped on 5 points scale which can thereafter be summated across the item.

The scale below show the measure used in the Likert scale designated instrument using Likert scale with score from 1 to 5 (Sekaran, 2003). Every score shown as follows:

Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree
1	2	3	4	5

3.6 Data Collection

In this study, data was collected using a structured questionnaire which consisted of 37 items. The questionnaire was distributed to 100 employees of Newfield Exploration (Malaysia). The respondents are given two days to

answer and return the questionnaire to the researcher by hand.

3.7 Sampling

The unit analysis is individual level. The population of this study covers 100 samples of Newfield Exploration (Malaysia). Population refers to the entire group of people, event or things of interest that researcher wishes to investigate. The list of exempt staff in Newfield Exploration (Malaysia) was obtained from the Newfield's Human Resource Department. There are 134 employees in Newfield Exploration (Malaysia). And out of those, 100 samples were chosen based on simple random sampling randomly for the purpose of this study. Based on the sample size decision guidelines given by Krejcie and Morgan (1970) as well as Cohen (1969), the sample size for population size (P) 134 is (S) 100.5. Hence, 100 employees in Newfield Exploration (Malaysia) were randomly selected for this study.

3.8 Data Collection Procedures

A total of 100 questionnaires were distributed to employees by department. Distribution was done on 19th March 2012, where employees were gathered and were briefed on the nature of the survey and its objectives.

The collection of questionnaires was done on 23rd March 2012, where researcher collects personally from respondents and partially respondents submitted to researcher directly.

After collecting the information from the questionnaires, a few procedures were carried out such as checking the data for accuracy. Besides that the questions were being coded to enable for analysis using Statistical Packages for the Social Science (SPSS). The analysis of data begins with reliability test for the scales through Cronbach's Alpha. The Cronbach Alpha testing was used as it is the most well accepted reliability test tools applied by social researcher (Sekaran, 2005) In Cronbach's Alpha reliability analysis, the closer Cronbach's Alpha to 1.0, the higher the internal consistency reliability.

3.9 Reliability Test

(Cronbach's Alpha; Cronbach, 1946). Cronbach measures;

1. Reliability less than 0.6 considered poor.
2. Reliability in the range 0.7 is considered to be acceptable.
3. Reliability more than 0.8 are considered to be good

3.10 Correlational Test

Secondly, in order to determine whether there are significant relationships among the independent variables and dependent variable, Pearson Correlation Coefficient analysis were carried out.

The scale model suggested by Davies (1971) used to describe the relationship between the independent variables and the dependent variable, are as shown below:

1. 0.7 and above – very strong relationship,
2. 0.50 to 0.69 – strong relationship,
3. 0.30 to 0.49 – moderate relationship,
4. 0.10 to 0.29 – low relationships and
5. 0.01 to 0.09 – very low relationship.

3.11 Regression Analysis

Thirdly, Multiple Regression Analysis was conducted to exam which among the three independent variables is the most important variables in explaining employee engagement. According to Sekaran (2005), the correlation coefficient, R , will indicate the strength of relationship between two variables and it will also show how much of the variance in the dependent variable will explain when several independent variables are theorized to simultaneously influence it. Besides that the square of multiple, R^2 is the amount of variance which will explain the dependent variable by the predictors and this is known as Multiple Regression. In the event of R^2 value, the F statistics and its significant level are known, the result can then be interpreted.

Finally, frequency distribution is being carried out to obtain a count of number of responses associated with different values of one variable and to express these counts into percentage terms. This chapter discussed the research

method proposed for this study by presenting the theoretical framework and research hypothesis. Aside to that, it also includes the discussion of sampling design, data collection, questionnaire, measurement and data analysis.

3.12 Conclusion

This chapter outlined the research methodology used to test the relationship between employee engagement as the dependent variable and the three independent variables – employee communication, rewards and recognition and employee development.

CHAPTER 4

RESULTS AND DISCUSSION

4.1 Introduction

This chapter outlines the results of data analysis obtained from data collected from respondents. The main purpose of this study is to study the relationship between the independent variables namely employee communication, rewards and recognition and employee development with the dependent variable being employee engagement. This study aims to achieve the research objectives as well as answers the research questions highlighted in chapter one. It also intends to verify the hypotheses made in chapter three.

The statistical method of Pearson Correlation is used to determine the existence of any relationships between the independent variable and dependent variable. Further to this, Regression Analysis is conducted to examine which among the three levels of independent variable is the most important to explain employee engagement. This chapter also illustrates the reliability test made to the instruments used using Cronbach Alpha. Descriptive analysis was conducted to describe the profile of respondents.

Overall, this chapter is divided into eight parts which includes; overview of data collection, profile of respondents, goodness of measure, descriptive analysis, major findings, summary of findings, and conclusion.

4.2 Overview of data collected

A total of 100 sets of questionnaires were distributed to respondents. 99 sets of questionnaires were returned to researcher. Researcher found that all questions were answered by the respondents. In summary, there were no un-useable questionnaires nor were any questionnaires being discarded.

Table 4.1:

Responses Rate

	Total	Percentage (%)
Questionnaires distributed	100	100
Collected questionnaires	99	99
Usable questionnaires	0	0
Discarded questionnaires	0	0
Uncollected questionnaires	1	1

4.3 Respondents' Profile

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

Table 4.2:

Respondents Profile

Demographic	Categories	Frequency	Percentage (%)
1. Gender	Male	58	58.6
	Female	41	41.4
2. Education Level	SPM	8	8.1
	Certificate/Diploma	18	18.2
	Bach. Degree	50	50.5
	Master/PhD	23	23.2
3. Age	<=25	5	5.1
	26-30	25	25.3
	31-35	36	36.4
	36-40	14	14.1
	>=41	19	19.2

4. Nationality	Malaysian	95	96
	Non-Malaysian	4	4
5. Department	Finance	17	17.2
	Procurement	14	14.1
	HSE & Logistic	4	4
	Planning	2	2
	HR & Admin	13	13.1
	Contract & Legal	3	3
	IT	4	4
	Subsurface	12	12.1
	Exploration	3	3
	Drilling	3	3
	Management	3	3
	PSCs	2	2
	Construction	/	
	Facilities	8	8.1
	Production		
	Engineering	/ 11	11.1
Operations			
6. Position Level	Non-Executive	30	30.3
	Executive	55	55.6
	Manager	14	14.1

7. Length of Service	<=3	64	64.6
	4-6	22	22.2
	7-9	8	8.1
	10-12	2	2
	13-15	1	1
	16>=	2	2
8. Years of Experience	<=3	14	14.1
	4-6	20	20.2
	7-9	14	14.1
	10-12	15	15.2
	13-15	11	11.1
	16>=	25	25.3

The study indicates that 58.6% respondents were male, while the remaining 41.4% are female respondents. 50.5% of the respondents holds a Bachelors Degree, while 23.2% are Masters / PhD holders, followed by 18.2% of Diploma/ Certificate holders and the remaining 8.1%, which is the minority holds a Secondary School Certificate (SPM).

The study indicates that 36.4% of the respondents are within the age of 31 – 35, while 25.3% of the respondents were within the age of 26 – 30 group. 19.2% respondents were from the age group of >=41years of age, and the

remaining balance of 14.1% are within the 36 –40 age group and minority of 5.1% are ≤ 25 of age.

Majority of the respondents were Malaysian, and the remaining 4% were Non Malaysian.

Majority of the respondents were from Finance Department of 17.2%, followed by Procurement of 14.1% respondents, followed by HR & Admin Department of 13.1 %. Respondents from Subsurface Department were 12.1 %, respondents from Production Engineering / Operations Department were 11.1%, and respondents from Production Engineering / Operations Department were 8.1%. HSE & Logistics Department and IT Departments respondents were 4% each respectively, while Exploration Department, Drilling Department, Contract & Legal Department and Management consist of 3% of respondents from each department. The remaining 2% of respondents each came from Planning Department and the PSCs.

Majority of the respondents were Executives, and the remaining balance were Non Executive of 30.3% and Managerial Level of 14.1%.

4.4 Reliability Analysis

According to Sekaran (2003), the closer the reliability coefficient gets to 1.0, the better it is, and those values over .80 are considered as good. Those value in the .70 is considered as acceptable and those reliability value less than .60 is considered to be poor (Sekaran, 2003). According to George & Mallery

(2003), reliability is the degree to which measure are free from error and therefore yield consistent results.

Table 4.3:

Reliability Analysis

Variables	No. of Items	Item Dropped	Croabach's Alpha
Employee Communication	7	0	.840
Rewards and Recognition	7	0	.832
Employee Development	7	0	.810
Employee Engagement	8	0	.826

As shown in table 4.3, alpha value for both independent variables and dependent variable are above 0.8 which is considered as good.

4.5 Descriptive Analysis

Descriptive analysis which includes the mean and standard deviation for the independent and dependent variables are attained and recorded in Table 4.4.

Table 4.4:

Descriptive Statistics of the Dependent and Independent Variables

Variables	Mean	Standard Deviation
Employee Communication	3.978	0.690
Rewards and Recognition	3.831	0.691
Employee Development	3.698	0.785
Employee Engagement	3.889	0.683

All variables are evaluated based on a 5-point scale. The results shows that the mean on Employee Communication (3.978), Rewards and Recognition (3.831), while the mean on Employee Development (3.698).

4.6 Inferential Analysis

The results of Pearson Correlation Analysis and Linear Regression are presented in the following section.

4.6.1 Pearson Correlation Coefficient

According to Sekaran (2003), in research project that includes several variables, beyond knowing the means and standard deviations of the dependent and independent variables, the researcher would often like to know

how one variable is related to another. That is the researcher would like to see the nature, direction and significance of the multi -variate relationship of the variables used in the study (that is, the relationship between two variables among the variables tapped in the study). A Pearson correlation matrix will provide this information, it will indicate the direction, strength and significance of the bivariate relationships of all the variables in the study.

There could be a perfect positive correlation between two variables, which is represented by 1.0 (plus 1), or a perfect negative correlation which would -1.0 (minus 1). While correlation could range between -1.0 and +1.0, the researcher need to know if any correlation found between two variables is significant or not (i.e.; if it has occurred solely by chance or if there is a high probability of its actual existence). As for the information, a significance of $p=0.05$ is the generally accepted conventional level in social sciences research. This indicates that 95 times out of 100, the researcher can be sure that there is a true or significant correlation between the two variables, and there is only a 5% chance that the relationship does not truly exist. The correlation matrix between dependent variable and independent variables are exhibited in Table 4.5 below. The finding from this analysis is then compared against the hypotheses developed in this study.

Table 4.5:

Inter correlations of the Major Variables

	Employee Communication	Rewards & Recognition	Employee Development	Employee Engagement
Employee Communication	1			
Rewards & Recognition	.454**	1		
Employee Development	.420**	.560**	1	
Employee Engagement	.582**	.579**	.547**	1

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

Hypothesis 1: There is significant relationship between Employee Communication and Employee Engagement in Newfield Exploration (Malaysia).

The relationship between employee communications is tested against employee engagement. The results indicates that there is a significant relationship between the two variables ($r=.582$, $n=99$, $p<.05$). The relationship is significant with strong correlation. Hypothesis alternative in hypothesis 1 is accepted.

Hypothesis 2: There is significant relationship reward and recognition and employee engagement in Newfield Exploration (Malaysia).

The relationship between Rewards and Recognition is investigated against Employee Engagement. The results shows that there is a significant relationship between the two variables ($r=.579$, $n=99$, $p<.01$), there is a positive relationship. Hence, Hypothesis alternative in hypothesis 2 is accepted

Hypothesis 3: There is significant relationship between Employee Development and Employee Engagement in Newfield Exploration (Malaysia).

The relationship between Employee Developments is investigated against Employee Engagement. The results show that there is a positive relationship between the two variables ($r=.547$, $n=99$, $p<.01$). The relationship between the variables are a positive relationship. Hypothesis alternative in hypothesis 3 is accepted

Hypothesis 4: Only one of the independent variable is highly significant to the employee engagement in Newfield Exploration (Malaysia), which is independent variable – employee communication. Hypothesis alternative in hypothesis 4 is accepted

4.6.2 Multiple Regressions

From the table below, it shows sufficient explanation or the variance. The Multiple Regression Analysis (MRA) treated the dimension of dependent variables and independent variables separately. This is a way to recognize whether there is significant relationship between independent variables and dependent variables or not.

The model sufficiently explained the variance or coefficient of determination or the R Squared in the effect of control variables relations. Three independent variables that are recognized in this research are employee communication, rewards and recognition and employee development. The result is illustrated in Table 4.6

Table 4.6:

Results of Regression Analysis

Variables	Dependent Variable Usage (Beta Standardization)	Sig
Employee Communication	0.353	0.000
Rewards & Recognition	0.285	0.002
Employee Development	0.24	0.009
F Value	31.836	0.000
R	.708	

R Square	0.501	
Adjusted R Square	0.486	
Durbin Watson	1.871	

Referring to the above Table, the Multiple R shows a substantial correlation between the three independent or predictor variables and the dependent variables which is employee engagement ($R = .708$). The R-square value identifies the portion of the variance accounted for by the independent variable that is approximately 50.1% of the variance in the employee engagement is accounted for by employee communication, rewards and recognition and employee development. This value indicates that those three factors explained employee engagement by 50.1%. This means that there are also some other factors which are not to be considered. The Adjusted R Square is considered a better population estimate and is useful when comparing the R Square values between models with different number of independent variables. The value of Adjusted R Square obtained is 0.486, illustrate that 48.6% changes of dependent variable which is the employee engagement can be explained by the three independent variables which are employee communication, rewards and recognition and employee development. The other 51.4% are explained by other factors.

The results also shows that all the independents variables are significantly correlated to employee engagement with $P < 0.05$

The beta (β) value for employee communication ($\beta = 0.353$), rewards and recognition ($\beta = 0.285$), and employee development ($\beta = 0.24$) explained the significance of the three independent variables to employee engagement. Among all three variable, employee communication ($\beta = 0.353$), is the strongest variables, followed by rewards and recognition ($\beta = 0.285$) and employee development ($\beta = 0.24$). The model summary also show the F change value of 31.836 is significant at 0.001 levels. Besides that, the above Table also shows that the value of Durbin Watson is 1.871 indicates that the data for dependent variables and independent variables are free from error term.

4.7 Summary of Findings

The summary of the analysis is as per the Table 4.7 shown below :

Table 4.7:

Summary of Hypothesis Testing's Result

	Hypothesis	Results
H1	There is a significant relationship between Employee Communication and Employee Engagement in Newfield Exploration (Malaysia).	Accepted

H2	There is a significant relationship Rewards and Recognition and employee engagement in Newfield Exploration (Malaysia).	Accepted
H3	There is a significant relationship between Employee Development and Employee Engagement in Newfield Exploration (Malaysia).	Accepted
H4	One of the independent variable is highly significant to the employee engagement in Newfield Exploration (Malaysia),	Accepted

4.8 Conclusion

From the above findings, correlation analysis concludes that all three independents variables which are Employee Communication, Rewards & Recognition and Employee Development are significantly related to employee engagement. Among all three independent variables, Employee Communication has been identified as the most influential driver of employee engagement for the case of Newfield Exploration (Malaysia).

CHAPTER 5

CONCLUSION AND RECOMMENDATION

5.1 Introduction

In this chapter, the findings of the study will be discussed and recommendations for future research will also be reviewed and recommended.

5.2 Discussion

The purpose of this study is to examine and further determine whether there is any relationship between the three independent variables namely Employee Communication, Rewards and Recognition and Employee Development with the dependent variable – Employee Engagement in Newfield Exploration (Malaysia). Further to this is to determine, which of the independent variables mentioned is the highest influence in employee engagement level in Newfield Exploration (Malaysia).

In the following discussion, results of each objective are reviewed and compared with previous literature.

Objective 1: To examine the relationship between employee communication and employee engagement in Newfield Exploration (Malaysia).

The positive and strong coefficient value between employee communication and employee engagement suggest that employee communication is main area that Management of Newfield Exploration (Malaysia) should look into as it is significantly related to the level employee engagement in Newfield Exploration (Malaysia). This explained that, if an employee is well informed on what the company's progress, being well informed of the multiple reasons behind any decision that the Company may undertake, and information is being shared with them in timely manner, the engagement within the employee will be increased. This finding is parallel to the research conducted by the CIPD (2005) survey reported which that the two most important drivers of employee engagement are having opportunities to feed upwards and feeling well-informed about what is happening in the organization.

Objective 2: To examine the relationship between rewards and recognition and employee engagement in Newfield Exploration (Malaysia).

The results of this study indicates a positive relationship between rewards and recognition and employee engagement 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. In the case of Newfield Exploration (Malaysia), employees are looked forward to their achievement being recognized by their managers and are currently satisfied with the recognition that they received. In the context of Newfield Exploration (Malaysia), and partially from Objective 1, the employee communication independent variable can be improved by having a more transparent policy of promotion, merit increment and bonus payment, a mechanism or a matrix can be further developed to address this.

Objective 3: To examine the relationship between employee development and employee engagement in Newfield Exploration (Malaysia).

The result of this study indicates a positive relationship between employee development and employee engagement. This finding is parallel with previous research findings done by Wellins, Bernthal & Mark (2003), whereby majority of employees want to be challenged and feel motivated to ensure that their tasks or jobs are interesting and challenging. By having a proper development or training programmes for each individual, new skills can be developed and a more productivity and achievement may be achieved, thus, higher level of employee engagement can be obtained. For the case of Newfield Exploration (Malaysia), this can assist in maintaining talents, whereby the talents recognized are being trained and sharpen with developmental programmes. Hence, it is important for the organizations to create engagement in their workforce by building a learning culture and creating individual development plans for every employee.

Objective 4: To identify which among the three independent variables is the most important relates to employee engagement in Newfield Exploration (Malaysia).

From the result of this study, it indicates that employee communication is the most significant independent variable between the three independent variables mentioned previously. This is identified as the main driver for employee engagement in Newfield Exploration (Malaysia).

This findings are parallel to a study that found that an employee's primary needs include, first, more information about personal, job – related matter, and then, information about organizational decision making and a greater opportunity to voice out complaints and evaluate supervisors (Goldhaber, Porter, Yates, Lesnjak, 1978).

Furthermore, the notion that firms do well at communicating about the business is challenged by (Truss et al, 2006) who found that 25 % of employees say that their manager rarely or never makes them feel their work counts. And only around half of all employees say that their manager usually or always “consults me on matters of importance” or “keeps me in touch with what is going on”. In this study, 42 % of employees say that they are not kept very well informed about what is going on in their organization (Truss et al., 2006). An effective communication climate is, according to Robertson (2005), based on the following topics; job, personal, operational and strategic issues. It is not always about the organization, it is also about the individual employee

itself, and where do they fit in, so that goals are aligned and the main objectives of the organization can be achieved together.

5.3 Recommendation for future research

This study had provided only a small portion of idea regarding employee engagement in the context of Newfield Exploration (Malaysia). Hence, it would be beneficial for future research to consider the following suggestions:

Still in the context of Newfield Exploration as a Company, to expand the research to all the entity for the Company, to get the main driver as a whole. And to include other variables to measure employee engagement so that this will increase the accuracy of understanding the drivers that could impact employee engagement level.

For employees to buy into the mission and purpose of Newfield, a high performance communication strategy should be established. The current communication strategy mainly focuses on sharing historical (previous month or previous quarter) business performance data. Communication that focuses on information sharing only is regarded as low performance communication. High performance communication focuses information on groups or individuals where they can see how individual actions impact on the business as a whole. To ensure that employees feel their opinions count, leaders in Newfield should actively seek ideas and input from employees on a regular basis. It should be ensured that frequent follow-up is made on ideas and input.

Leaders should emphasize to their subordinates the importance of their ideas. They should work with employees to solve problems and to ensure that good ideas are submitted and considered.

Various types of rewards and recognition show employees that their work is noticed and appreciated. Effective leaders can always find meaningful ways to ensure that good performance is recognized. Options range from verbal acknowledgement and praise to formal recognition programs with awards. It is important that Managers in Newfield vary their recognition and understand what each employee values. With this approach, a wide variety of employees can feel appreciated and rewarded. Some examples to be considered such as special bonus scheme, promotion, challenging tasks and responsibility which is tied to monetary and non monetary rewards, formal recognition programs and acknowledgements from senior leaders to name a few.

Various opportunities for public praise exist and should be utilized more effectively within the organization. The monthly employee meeting is an ideal platform to recognize employees who have gone the extra mile in the previous month or quarter. Senior managers are not visible enough in the organization, this could be improved by making an effort to personally thank people that have gone the extra mile for the organization.

To improve on learning and growth, employees can be asked to identify one job-related skill or specific area of knowledge that they would like to develop during their performance appraisal. Managers should take care that the skill or

knowledge is reasonable, and could be gained on the job. Each person should identify his/her learning goal, and a target completion date. The organization should collect and maintain this information, and conduct follow-up meetings to track employee progress. Provide opportunities for employees to apply and demonstrate their newly acquired skills, and give positive reinforcement for success. Both the employee and the organization will profit, when the manager assist the employee to improve as an individual. This could be done by providing opportunities that are in line with the employee's talents and strengths.

The organization and Managers should endeavor to understand which skills employees want to have, and aligning this with the needs of the organization. To make improvements in learning and growth, Managers should discuss short term and long term goals, potential obstacles to success, and resources that employees may need. Employees should be assisted to envision their careers three to five years in the future. Progress meetings should be setup, at least quarterly, so that each employee is updated on their goals. Employees should be assisted in developing career development plans, as appropriate.

It is also recommended that Newfield Exploration (Malaysia) to set up a formal mentoring program that encourages one-on –one relationships between junior and senior employees. Mentors should be encouraged to meet with the person they mentor on a regular basis. In these meetings, mentors should answer questions, provide support, and encourage employee growth and development.

5.4 Conclusion

The four objectives in this study have been achieved whereby the results had shown that employee communication, rewards and recognition and employee development are related to group performance. Among all the three drivers of employee engagement, employee communication is found to be the strongest drivers of employee engagement in the context of Newfield Exploration (Malaysia).

A strong relationship exists between the degree of employee engagement and business success. Organizations are in business to create value for all stakeholders. An objective of business is to maximize the return on investment. Understanding that there is a relationship between employee communication, rewards and recognition and employee development to the level of employee engagement and business success provides justification that organizations should strive to increase the degree of employee engagement in order to increase stakeholder value and maximize the return on investment. By improving the degree of employee engagement, organizations can significantly increase productivity and performance.

Newfield Exploration (Malaysia) should channel more time and resources in this area as it brings a great impact in enhancing the level of engagement in Newfield Exploration (Malaysia). Overall the model is explained 50.1% (R square) of employee engagement. This value is considered as acceptable. However, researcher hope that more research will be conducted in the future

in order to gain a whole understanding of employee engagement as other drivers may also contribute to employee engagement in Newfield Exploration (Malaysia).

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APPENDIX 1 :

Questionnaires

UNIVERSITI UTARA MALAYSIA



QUESTIONNAIRES

The influences of employees communication, rewards and recognition and employee development on employees engagement in Newfield Exploration (Malaysia).

Dear Sir/Madam,

The purpose of this study is to examine the influence of employee communication, rewards and recognition and employee development on employee engagement in Newfield Exploration (Malaysia).

This questionnaire contains 2 (two) parts which has been designed to be easy to complete. Your response is very important to this study and will be kept strictly confidential and only be used to serve for academic purpose only. It will take no longer than 15 minutes to complete it.

Please do answer each question thoroughly and honestly as possible in order to obtain its accuracy and validity. Should you need further clarification, please do not hesitate to contact me : +6012- 4875552.

Please return the completed questionnaire at your earliest convenience.

Thank you for your time and cooperation.

Sincerely,

Azrina A. Aziz (806816)

Student : Master of Human Resource Management

Universiti Utara Malaysia

Supervisor :

Dr.Wan Shakizah Wan Mohd Noor

BHRM Program

School of Business Management

College of Business

Universiti Utara Malaysia

Section A : Demographic Information

Instruction: Please tick (√) ONE BOX.

1. Gender :

Male Female

2. Education level :

SPM Certificate /Diploma Bach. Degree

Master / PhD

3. Age :

≤ 25 26 - 30 31 - 35 36 - 40

≥ 41

4. Nationality :

Malaysian Non - Malaysian

5. Department :

Finance		Subsurface	
Procurement		Exploration	
HSE & Logistics		Drilling	
Planning		Management	
HR & Admin		PSCs	
Contract & legal		Construction / Facilities	
IT		Production Engineering/ Operations	

6. Your position level in the Company :

≤ 3 Non Executive Exec Manager

7. Length of Service (years) in current organization :

≤ 3 4 – 6 7 – 9
 10 – 12 13 – 15 16 ≥

8. Total years of experience :

≤ 3 4 – 6 7 – 9
 10 – 12 13 – 15 16 ≥

Section B : Questionnaires

For each of the following statements, please indicate whether you agree or disagree with it. Thank you for answering all statements.

1	2	3	4	5
Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree

	Section B1: Employee Communication	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree
1	I understand the mission and objective of the Company	1	2	3	4	5
2	Communication is encouraged in this organization	1	2	3	4	5
3	My manager does a good job of sharing information.	1	2	3	4	5
4	Senior management communicates well with the rest of the organization.	1	2	3	4	5

5	I am being updated with the latest happening in the organization from time to time	1	2	3	4	5
6	I receive the information and communication I need to do my job.	1	2	3	4	5
7	Information and knowledge are shared openly within this organization	1	2	3	4	5

	Section B2 : Rewards & Recognition	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree
1	The benefits offered here are fair and reasonable	1	2	3	4	5
2	My salary is competitive with similar jobs I might find elsewhere.	1	2	3	4	5
3	I understand my benefit plan.	1	2	3	4	5
4	My benefits are comparable to those offered by other organizations.	1	2	3	4	5
5	I'm satisfied with the recognition given by the Company	1	2	3	4	5
6	I believe the Company rewards its employee fairly and accordingly	1	2	3	4	5
7	My supervisor gives me praise and recognition when I do a good job.	1	2	3	4	5

	Section B3 : Employee Development	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree
1	I have adequate opportunities for professional growth in this organization.	1	2	3	4	5
2	I receive the training I need to do my job well.	1	2	3	4	5
3	My manager is actively interested in my professional development and advancement.	1	2	3	4	5
4	My manager encourages and supports my development.	1	2	3	4	5
5	I have a mentor at work.	1	2	3	4	5
6	I regularly receive recognition/praise for doing good work	1	2	3	4	5
7	In the last six months, my supervisor at work talked to me about my progress	1	2	3	4	5

	Section B4 : Employee Engagement	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree
1	I fully understand what is employee engagement	1	2	3	4	5
2	My opinions and ideas seem to matter at work	1	2	3	4	5
3	I have opportunities to learn and grow in my job	1	2	3	4	5
4	I am fully aware of my purpose and what is expected out of me	1	2	3	4	5

5	I am comfortable sharing my opinions at work.	1	2	3	4	5
6	My manager values my talents and the contribution I make.	1	2	3	4	5
7	I am able to satisfy both my job and family responsibilities.	1	2	3	4	5
8	Overall, I am satisfied with my Company	1	2	3	4	5

– END OF QUESTIONS –

Thank you for providing us the information. We would like to reiterate that the information given will be kept confidential and only for the purpose of the study.

APPENDIX 2 :

Statistical Data Analysis

(SPSS Output)

Reliability Test – Employee Engagement

Case Processing Summary

		N	%
Cases	Valid	99	100.0
	Excluded ^a	0	.0
	Total	99	100.0

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

Reliability Statistics

Cronbach's Alpha	N of Items
.817	8

Item Statistics

	Mean	Std. Deviation	N
EEideas	3.7172	.78299	99
EEopportunities	3.8687	.77784	99
EEaware	4.0404	.63758	99
EEsharing	4.0404	.62137	99
EEtalents	3.8990	.73533	99
EEjobNfamily	3.8081	.75155	99
EEsatisfied	4.0202	.57107	99
EEunderstand	3.7172	.58971	99

Summary Item Statistics

	Mean	Minimum	Maximum	Range	Maximum / Minimum	Variance	N of Items
Item Means	3.889	3.717	4.040	.323	1.087	.018	8

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
EEideas	27.3939	9.731	.606	.461	.786
EEopportunities	27.2424	9.696	.620	.449	.783
EEaware	27.0707	10.577	.560	.443	.793
EEsharing	27.0707	10.801	.518	.357	.799
EEtalents	27.2121	9.924	.613	.417	.785
EEjobNfamily	27.3030	10.662	.423	.275	.814
EEsatisfied	27.0909	10.777	.587	.469	.792
EEunderstand	27.3939	11.445	.379	.274	.816

Reliability – Employee Development

Case Processing Summary

		N	%
Cases	Valid	99	100.0
	Excluded ^a	0	.0
	Total	99	100.0

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

Reliability Statistics

Cronbach's Alpha	N of Items
.826	7

Item Statistics

	Mean	Std. Deviation	N
EDopportunities	3.6970	.67695	99
EDtraining	3.5960	.86802	99
EDinterested	3.7778	.73617	99
EDdevelopment	3.8889	.76783	99
EDmentor	3.3838	.93358	99
EDrecognition	3.6566	.78457	99
EDprogress	3.8889	.72687	99

Summary Item Statistics

	Mean	Minimum	Maximum	Range	Maximum / Minimum	Variance	N of Items
Item Means	3.698	3.384	3.889	.505	1.149	.032	7

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
EDopportunities	22.1919	11.687	.599	.800
EDtraining	22.2929	10.597	.631	.792
EDinterested	22.1111	10.753	.750	.774
EDdevelopment	22.0000	11.122	.626	.793
EDmentor	22.5051	11.518	.399	.837
EDrecognition	22.2323	11.629	.499	.814
EDprogress	22.0000	11.633	.556	.805

Reliability – Rewards & Recognition

Case Processing Summary

		N	%
Cases	Valid	99	100.0
	Excluded ^a	0	.0
	Total	99	100.0

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

Reliability Statistics

Cronbach's Alpha	N of Items
.832	7

Item Statistics

	Mean	Std. Deviation	N
RRbenefits	3.8081	.63369	99
RRsalary	3.7071	.74577	99
RRbenUnderstand	3.9798	.51468	99
RRcomparable	3.6667	.75593	99
RRsatisfied	3.8081	.82902	99
RRrewards	3.7576	.67144	99
RRpraise	4.0909	.68647	99

Summary Item Statistics

	Mean	Minimum	Maximum	Range	Maximum / Minimum	Variance	N of Items
Item Means	3.831	3.667	4.091	.424	1.116	.023	7

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
RRbenefits	23.0101	9.214	.585	.504	.809
RRsalary	23.1111	8.181	.733	.579	.782
RRbenUnderstand	22.8384	9.892	.527	.369	.819
RRcomparable	23.1515	8.905	.529	.433	.818
RRsatisfied	23.0101	7.969	.685	.547	.791
RRrewards	23.0606	8.568	.724	.601	.786
RRpraise	22.7273	9.996	.322	.290	.848

Reliability – Employee Communication

Case Processing Summary

		N	%
Cases	Valid	99	100.0
	Excluded ^a	0	.0
	Total	99	100.0

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

Reliability Statistics

Cronbach's Alpha	N of Items
.840	7

Item Statistics

	Mean	Std. Deviation	N
ECunderstand	4.1515	.57789	99
ECcommunication	4.2727	.68241	99
ECshareInfo	4.1414	.75607	99
ECcommunicatesWell	3.7677	.76703	99
ECupdated	3.8990	.66232	99
ECreceive	3.9293	.59337	99
ECsharedOpenly	3.6869	.79085	99

Summary Item Statistics

	Mean	Minimum	Maximum	Range	Maximum / Minimum	Variance	N of Items
Item Means	3.978	3.687	4.273	.586	1.159	.047	7

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
ECunderstand	23.6970	9.744	.546	.446	.825
ECcommunication	23.5758	9.063	.613	.522	.815
ECshareInfo	23.7071	9.046	.534	.339	.828
ECcommunicatesWell	24.0808	8.728	.603	.390	.817
ECupdated	23.9495	9.334	.562	.431	.822
ECreceive	23.9192	9.381	.637	.464	.813
ECsharedOpenly	24.1616	8.321	.680	.527	.803

Correlation

Correlations

		VabCommunica tion	VabRewRec	VabDevelopme nt	Engagement
VabCommunica tion	Pearson Correlation	1	.454**	.420**	.582**
	Sig. (2-tailed)		.000	.000	.000
	N	99	99	99	99
VabRewRec	Pearson Correlation	.454**	1	.560**	.579**
	Sig. (2-tailed)	.000		.000	.000
	N	99	99	99	99
VabDevelopme nt	Pearson Correlation	.420**	.560**	1	.547**
	Sig. (2-tailed)	.000	.000		.000
	N	99	99	99	99
Engagement	Pearson Correlation	.582**	.579**	.547**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	99	99	99	99

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

Regression

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.708 ^a	.501	.486	2.61603	.501	31.836	3	95	.000	1.871

a. Predictors: (Constant), VabDevelopment, VabCommunication, VabRewRec

b. Dependent Variable: Engagement

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	653.632	3	217.877	31.836	.000 ^a
	Residual	650.146	95	6.844		
	Total	1303.778	98			

a. Predictors: (Constant), VabDevelopment, VabCommunication, VabRewRec

b. Dependent Variable: Engagement

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	6.849	2.507		2.732	.008
	VabCommunication	.370	.088	.353	4.224	.000
	VabRewRec	.302	.097	.285	3.115	.002
	VabDevelopment	.226	.085	.240	2.671	.009

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	6.849	2.507		2.732	.008
VabCommunication	.370	.088	.353	4.224	.000
VabRewRec	.302	.097	.285	3.115	.002
VabDevelopment	.226	.085	.240	2.671	.009

a. Dependent Variable: Engagement

Descriptive

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
VabCommunication	99	2.43	5	3.9784	0.4959
VabRewRec	99	2.43	5	3.8312	0.4921
VabDevelopment	99	2.14	5	3.6984	0.5517
Engagement	99	2.38	5	3.8889	0.4559
Valid N (listwise)	99				

Frequency

Gender

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	58	58.6	58.6	58.6
Female	41	41.4	41.4	100.0
Total	99	100.0	100.0	

Education Level

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid SPM	8	8.1	8.1	8.1
Certificate/Diploma	18	18.2	18.2	26.3
Bach. Degree	50	50.5	50.5	76.8
Master/PhD	23	23.2	23.2	100.0
Total	99	100.0	100.0	

Age

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid <=25	5	5.1	5.1	5.1
26-30	25	25.3	25.3	30.3
31-35	36	36.4	36.4	66.7
36-40	14	14.1	14.1	80.8
>=41	19	19.2	19.2	100.0
Total	99	100.0	100.0	

Nationality

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Malaysian	95	96.0	96.0	96.0
Non-Malaysian	4	4.0	4.0	100.0
Total	99	100.0	100.0	

Department

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Finance	17	17.2	17.2	17.2
Procurement	14	14.1	14.1	31.3
HSE & Logistic	4	4.0	4.0	35.4
Planning	2	2.0	2.0	37.4
HR & Admin	13	13.1	13.1	50.5
Contract & Legal	3	3.0	3.0	53.5
IT	4	4.0	4.0	57.6
Subsurface	12	12.1	12.1	69.7
Exploration	3	3.0	3.0	72.7
Drilling	3	3.0	3.0	75.8
Management	3	3.0	3.0	78.8
PSCs	2	2.0	2.0	80.8
Construction / Facilities	8	8.1	8.1	88.9
Production Engineering / Operations	11	11.1	11.1	100.0
Total	99	100.0	100.0	

Position Level

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Non-Executive	30	30.3	30.3	30.3
Executive	55	55.6	55.6	85.9
Manager	14	14.1	14.1	100.0
Total	99	100.0	100.0	

Length of Service

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	<=3	64	64.6	64.6	64.6
	4-6	22	22.2	22.2	86.9
	7-9	8	8.1	8.1	94.9
	10-12	2	2.0	2.0	97.0
	13-15	1	1.0	1.0	98.0
	16>=	2	2.0	2.0	100.0
	Total	99	100.0	100.0	

Years of Experience

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	<=3	14	14.1	14.1	14.1
	4-6	20	20.2	20.2	34.3
	7-9	14	14.1	14.1	48.5
	10-12	15	15.2	15.2	63.6
	13-15	11	11.1	11.1	74.7
	16>=	25	25.3	25.3	100.0
	Total	99	100.0	100.0	