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**DETERMINANTS OF EMPLOYEE ENGAGEMENT IN
HONDA MALAYSIA SDN.BHD.**

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UUM
Universiti Utara Malaysia

**Thesis Submitted to
Othman Yeop Abdullah Graduate School of Business,
Universiti Utara Malaysia,
in Partially of the Requirement for the Master of Human Resource Management**



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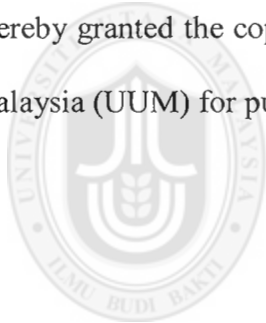
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ABSTRACT

Engaged employees will say positive things about the company, give extra effort, and are more likely stay with their company. Therefore, it is not surprising that most of organizations have invested substantially in policies and practices that foster engagement and commitment in their workforce. This study examined the relationship between rewards & recognition, career development, flexible working hours and employee engagement. 158 survey questionnaires were collected and used for data analysis in this study. Descriptive and inferential statistics were employed to analyse data. The findings showed that there were significant and positive correlations between rewards & recognition, career development, flexible working hours and employee engagement. Findings also indicated that career development was the most dominant determinant of employee engagement in Honda Malaysia Sdn. Bhd. (“HMSB”). The research findings will help to gain a better understanding and insight into what drives employee engagement in HMSB.

ABSTRAK

Keterlibatan pekerja dapat membuahkan hasil yang positif di mana pekerja akan lebih positif terhadap organisasi, berusaha lebih gigih, dan dijangka akan lebih setia dengan organisasi. Oleh itu, tidak menghairankan bila ada organisasi yang banyak melabur dan memberikan perhatian terhadap polisi dan amalan yang dapat meningkatkan keterlibatan dan komitmen dalam pekerjaan. Kajian ini dijalankan bagi mengenalpasti perhubungan di antara ganjaran dan pampasan, pembangunan kerjaya, waktu kerja anjal dan keterlibatan pekerja. 158 borang soal selidik dikutip dan digunakan untuk analisis data. Dapatan menunjukkan terdapat perhubungan yang signifikan dan positif di antara ganjaran dan pampasan, pembangunan kerjaya, waktu kerja anjal dan keterlibatan pekerja. Dapatan kajian juga menunjukkan pembangunan kerjaya sebagai faktor yang paling signifikan terhadap keterlibatan pekerja di Honda Malaysia Sdn. Bhd. ("HMSB"). Dapatan kajian ini diharap dapat memberi pemahaman yang lebih baik terhadap faktor-faktor yang mempengaruhi keterlibatan pekerja di HMSB.

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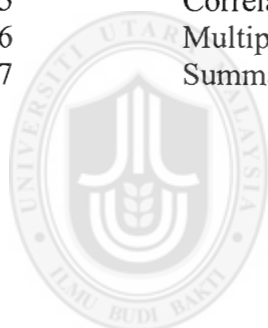
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CHAPTER 1

INTRODUCTION

1.1. Introduction

Nowadays, employee engagement has become a top business priority for business leaders. It fuels organizations during times of economic growth and, more critically, when market conditions are uncertain and volatile. They know that having a high-performing workforce is essential for growth and survival. They recognize that a highly engaged workforce can increase innovation, productivity, and bottom-line performance while reducing costs related to hiring and retention in highly competitive talent markets.

Therefore, a positive relationship between the organization and employees must develop to fulfil the continually changing needs of both parties. At the minimum, the organization expects an employee to perform consistently the tasks assigned to them and at the standards set for them, and to follow the rules that have been established to govern the workplace. They often expect more to their employees to take initiative, continue to learn new skills, and be responsive to business needs. At the minimum also, employees expect their organization to provide fair pay, recognize their contributions, offer career opportunities and make them feel more fulfilled in their personal and professional lives. In other words, employee engagement has emerged as a critical driver of the organization, and it practically affects the employee morale, productivity, retention and also individual satisfaction (Sanborn & Oehler, 2014).

1.2. Background of Study

Rationally, this study attempts to examine the relationship between the determinants and employee engagement in Honda Malaysia Sdn. Bhd. ("HMSB"). Employers should know that employees who are engaged in their work more productive, and, they needs to know what are the top determinant of employee engagement in HMSB. Thus, this paper discusses three drivers in employee engagement which are rewards and recognition, career development, and flexible working arrangements (FWAs).

On 15 November 2000, a partnership between Honda Motor Co. Ltd. of Japan, DRB-HICOM Berhad and Oriental Holdings Berhad resulted in the birth of HMSB, a company committed to offering the "Highest Customer Satisfaction in Malaysia".

Since then, HMSB has been a solid and aggressive player in the Malaysian automotive market. Each year, it progresses so rapidly that it set up a plant in Pegoh, Melaka. With this new plant, not only is HMSB optimistic of achieving high sales every year, it has further strengthened Honda's reputation in Malaysia. HMSB rides strongly on its slogan "The Power of Dreams". It signifies the ever-changing and growing needs of the future.

At Honda, everyone is encouraged to express and realise their dreams for the collective vision of creating a better and brighter future for their next generation. Dreams are what move them forward, and make the world a better place. When people share dreams, the power of dreams grows. No challenge is too daunting, no goal too distant. The principals of HMSB as the following: (1) respect for the individual and (2) the three joys (the joy of

buying, the joy of selling, and the joy of creating). That is how HMSB engage their employees by striving constantly for a harmonious flow of work.

HMSB has offices located in Malacca Plant (Alor Gajah), CP Tower (Petaling Jaya, Selangor), Centre Training Central (Petaling Jaya, Selangor), Bukit Jelutong (Shah Alam, Selangor), and Kota Kinabalu (Sabah). The study only focused in the office located in CP Tower (Petaling Jaya, Selangor) with approximately 250 staff of different divisions.

For the financial year of 2016, Human Resource Department are aggressively did the initiatives on the employee engagement for the retention purposes to the staff. One of the efforts towards the initiative, HMSB partnered with Aon Hewitt Consulting to conduct the Employee Engagement Survey (ESS) 2016. Data was collected from 13th June 2016 to 27th July 2016 via online. Employees responded to survey question using six-point scales. The key objectives of the survey were as follows:

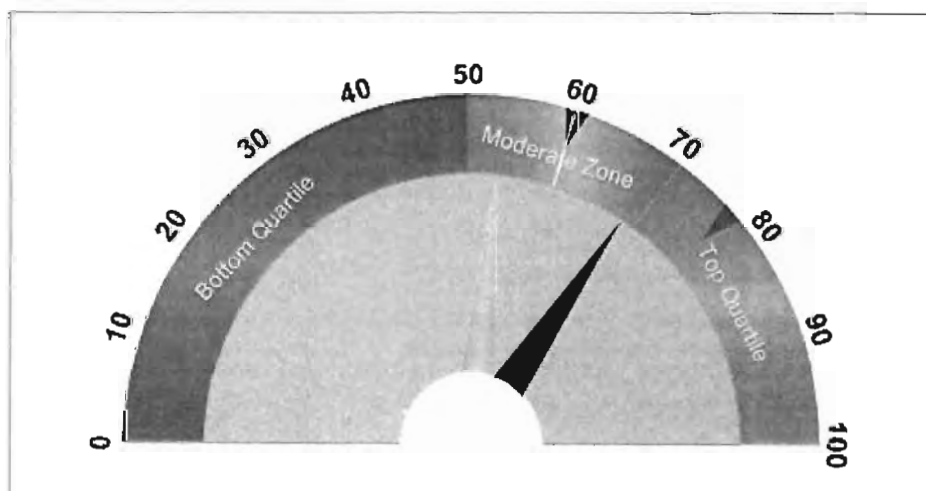
- To assess the level of engagement as well as what is key for staff to be engaged.
- To identify specific needs or issues that might have to take appropriate actions.
- To serve as feedback to management to see what has worked, what is working well, and what needs to be focused to improve engagement and make Honda a great place to work.
- To provide leaders with information and insight to guide them in prioritizing area in improving the staff experience.

According to the Aon Hewitt engagement methodology, individual employees are considered to be engaged when they display the following three engagement behaviours as follows:

- Say : Employees consistently speak positively about the organization to co-workers, potential employees, and customers.
- Stay : Employees have an intense desire to be a member of the organization.
- Strive : Employees exert extra effort and engage in work that contribute to the business success.

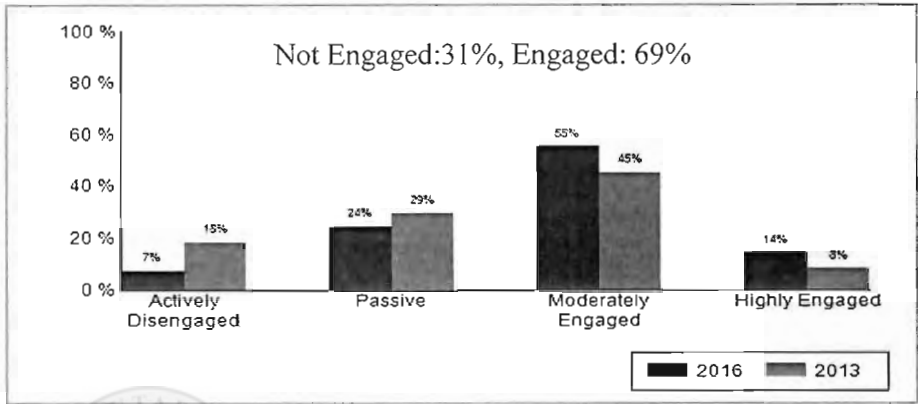
Engagement is the state of emotional and intellectual commitment to an organization. It is the extent to which an organization “wins” the “hearts and minds” of employees. Findings indicate that the overall employee engagement score for HMSB is 69%. These scores are based on the Aon Hewitt model of employee engagement as illustrated in Illustration: 1.1. The Engagement score places it in the Moderate Zone.

Illustration: 1.1. Engagement Meter



Graph 1.1 below shows the comparison the percentage of disengaged and engaged team members between the year of 2013 and 2016. According to the engagement distribution, 69% of respondents were engaged and 31% of respondent were not engaged.

Graph: 1.1. Engagement Distribution for HMSB



In additional, Table 1:1 shows that the benchmark results done by Aon Hewitt Consulting between auto components and automobile in Asia (2011 - 2015) and HMSB.

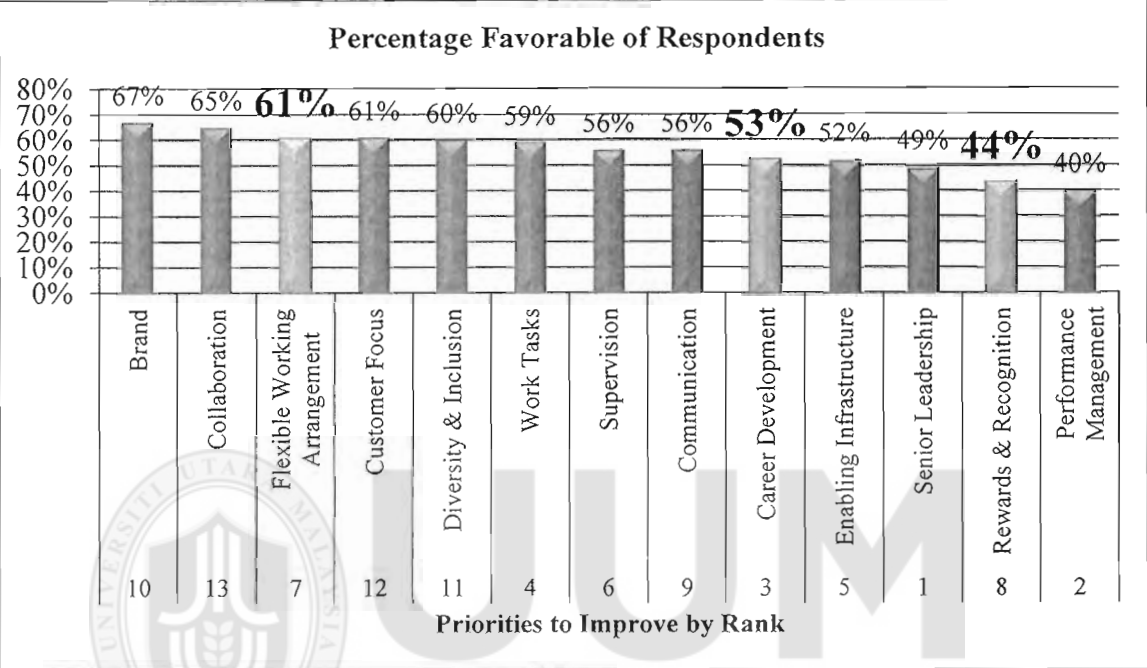
Table: 1.1. Benchmark from Auto Components and Automobile

Benchmark	Actively Disengaged	Passive	Moderately Engaged	Highly Engaged
Auto Components and Automobile - Asia (2011-2015)	21%	25%	38%	15%

The summary of findings by Aon Hewitt indicated that percentage of selected drivers of determinants to the employee engagement in this research for rewards and recognition is 44%, career development is 53% and flexible working arrangements is 61%. This information has been provided by the researcher as a background of study as an initiative

done by HMSB for further investigation and related to the current issues that passionately discussed by the competitive companies.

Graph: 1.2. Engagement Priorities Items for HMSB



At present, the Flexible Working Arrangement (FWA) at PJO/CTC/BJ/KK is implemented starting on 1st July 2016. FWHs seen as an effort by HMSB to:

- Promote better work-life integration in balancing professional and personal commitments.
- Provide support to working parents in an organisation.
- Motivates employees to work to their fullest capability through flexible work arrangements.

All HMSB staff shall adhere to the FWHs terms and conditions and are responsible to monitor their own working hour contribution as regulated in the Table 1.2.

Table: 1.2. Flexible Working Arrangements (FWAs) Rules and Regulations in HMSB

Job Category		
Terms	Non-Executive	Executive & Above
FWHs Arrangement	Daily Required to Fulfil Daily Total Working Hours	Weekly Required to Fulfil Weekly Total Working Hours
Total Working Hours	9 Hours 50 Minutes (Include Lunch Break)	49 Hours 10 Minutes (Include Lunch Break)
Official Work Start	7:00 a.m.	7:00 a.m.
Core Working Hours	9:30 a.m. - 4:30 p.m.	9:30 a.m. - 4:30 p.m.
Last Clock-in	Before/At 9:30 a.m.	Before/At 9:30 a.m.
Earliest Clock-out	At/After 4:50 p.m.	At/After 4:30 p.m.

The overview of the study from the past studies also indicated as the following:

Based on the survey findings by Aon Hewitt (2016), Asia Pacific has the biggest improvement with a five point improvement (from 60% to 65%). Employee engagement is trending up across the globe. A quarter of all employees fall into the “highly engaged” category and another 40% are categorized as “moderately engaged” giving a total worldwide engagement score of 65%. That compares to 62% from a year ago when 22% of employees surveyed were “highly engaged” and 40% were “moderately engaged.” The three elements of the engagement index all improved. The “Say” portion improved two

percentage points to 69% favourable. “Stay” also went up two percentage points to 60% favourable. The “Strive” portion raised the most from 61% to 64% favourable.

Survey research (such as Gallup, 2013; Robertson and Cooper, 2010) discloses low levels of engagement in many countries and recommends that presently only 13% of employees around the globe are engaged in their jobs and that disengaged workers continue to outnumber their engaged counterparts at a rate of approximately 2 to 1 (Gallup, 2013). In the United States (US), for example, 52% of employees in the workforce are purportedly disengaged and 18% are actively disengaged in their jobs. Similarly, 68% of Chinese workers are reported to be disengaged in their work.

The concept of engagement created to surface in the organizational and business literature around two decades ago and has attracted considerable attention from human resource development (HRD) scholars in recent years (see Kahn, 1990; Simpson, 2009; Kim et al., 2012; Rurkkhum and Bartlett, 2012; Shuck and Wollard, 2010; Soaneet al., 2012; Wollard and Shuck, 2011; Schaufeli et al., 2008). It is often acknowledged that engagement is predictive of employee outcomes, success, and financial performance of organizations (Macey and Schneider, 2009; Saks, 2006).

In the academic perspective, the commercial engagement concept was originally espoused by the Gallup Organization. Buckingham and Coffman (1999) reported that Gallup spent a great deal of effort refining a set of survey questions (the Gallup Workplace Audit) that connected employee engagement to productivity, profitability, employee retention, and customer service. Additional academic works were published by

Gallup in subsequent years (Harter, Schmidt, & Hayes, 2002; Harter, Schmidt, & Keyes, 2003).

Historically, the academic community has used the term engagement in conjunction with the concepts of job involvement or job commitment rather than organizational commitment (Brown, 1996; Christian, & Slaughter, 2007; Saks, 2006). Whether academic researchers approached the definition of engagement from the perspective of burnout, job involvement, or well-being, most discussions (e.g., Avery et al., 2007; Bakker et al., 2006; Kahn, 1990, 1992; Maslach et al., 2001; Maslach & Leiter, 2008; May et al., 2004; Rothbard, 2001) were limited to the focus of improving job-related issues.

Recently, practitioners have written more about corporate strategy or imperatives to develop employee engagement as a mechanism for creating greater productivity and a competitive edge (Harter et al., 2002; Harter et al., 2003; Masson, Royal, Agnew, & Fine, 2008; Robinson et al., 2004; Sardo, 2006; Wellins et al., 2005).

Many researches have tried to identify factors leading to employee engagement and developed models to draw implications for managers. These different viewpoints, the findings in this study have determined the driver that has identified the determinants of employee engagement.

1.3. Problem Statement

Studies have found a positive relationship between employee engagement and business outcomes are employee retention, productivity, profitability, customer loyalty, and safety. Researches also indicate that the most engaged employees are, the more likely their employer is to exceed the industry average in its revenue growth. Research also indicates that engagement is positively related to customer satisfaction (Coffman, 2000).

What will happen to HMSB if its employees are disengaged? According to Blessing White, (2006), employees who are not engaged are likely to be, firstly, spinning; that they wasting their effort and talent on tasks that may not matter much. Second, settling; that they certainly do not show full commitment, not dissatisfied enough to make a break. Lastly, splitting; that they are not sticking around for things to change in their organization. They have far more misgivings about their organization in terms of performance measures such as customer satisfaction.

Most of the HMSB staff said that their salary is not competitive with similar jobs that they might find elsewhere. They also felt that the company does not rewards its employee fairly and accordingly to their working experiences. Moreover, they felt that they do not receive recognition or praise from their superior for doing a good job. Previous researches indicate that the most critical characteristics of effective rewards and recognition programmes are the fairness, equity and justice inherent in these initiatives. This sense of equity is both internal within the organization and external with respect to comparable organizations operating in the marketplace.

Furthermore, poor career development planning also make the employee sensed that their manager is not interested in their professional development and advancement. According to Forbes (2014), most of workers believe it is employer's responsibility to teach career development. 74% say employers should provide professional development training, 71% say they should identify job opportunities and career paths, and 68% say they should provide career advancement mentoring. In other hand, most managers believe employees must take responsibility for their career development. 98% say workers should continually update and improve their skills. 85% say they should identify job opportunities and career paths, and 80% say they should be responsible for building their job hunting and career planning skills. The results above demonstrate that why many workers and organizations fail at the career management which each believes the others should be responsible. Managers and employees often point the finger at each other when it comes to taking responsibility for poor career development planning.

In HMSB, non-executive employees are required to fulfil total daily working hours of 9 hours 50 minutes (include lunch break), and executive and above are required to fulfil weekly total working hours of 49 hours 50 minutes. Employees felt that the working hours is too long compare to other companies with the total of daily total working hours of only 9 hours including lunch break. In addition, traffic congestion on the roads especially in the Klang Valley is the most horrible, which has one of the highest concentrations of roadway and tolled highways in the world. Although the good basic infrastructure in the country, massive traffic jams still exist and extend their working day due to lack of connectivity of public transportation. Most of their time waste during commuting. Subramaniam and Selvaratnam (2010) also pointed out that almost half of women employees in Malaysia faced

difficulties of balancing work and their family life. Inflexibility at the workplace and the home places a lot of stress on the women and the family especially for most women who put home as their main responsibility (Hill et al., 2004).

Therefore, why should HMSB invest in employee engagement? The answer is because employee engagement is interwoven significantly with important their business outcomes. HMSB is a company that committed to offering the "Highest Customer Satisfaction in Malaysia". HMSB also has been a solid and aggressive player in Malaysia automotive market. In 2015, HMSB recorded all-time high sales of 94,902 units, blazing the way for the company to emerge as the No. 1 in Non-National Brand. Employees as an asset to the company that keeps their businesses going and without them, companies may not be able to achieve much. HMSB strive to create high engagement amongst their employees.

Thus, this study was carried out to identify the determinants of employee engagement by three independent variables that were taken into consideration namely rewards and recognition, career development, and flexible working arrangements (FWAs).

1.4. Research Questions

This research was conducted to identify the determinants of employee engagement as the following:

1. Do rewards and recognition have a relationship on employee engagement?
2. Does career development have a relationship on employee engagement?

3. Does a flexible working arrangement (FWA) have a relationship on employee engagement?

1.5. Research Objectives

The specific objectives of the research as the following:

- To examine the relationship between rewards and recognition and employee engagement.
- To examine the relationship between career development and employee engagement.
- To examine the relationship between flexible working arrangements (FWAs) and employee engagement.

1.6. Relevance of the Study

Research shows that committed employees perform better. Therefore, HMSB needs to identify the relationship of the drivers to the determinants of employee engagement. This paper discusses three engagement drivers, namely rewards and recognition, career development, and flexible working arrangements (FWAs). However, there are areas of improvement can be established to integrate the employee engagement with overall organizational corporate strategies. Managers want to improve staff engagement because this tends to lead to staff performance, reduces staff turnover and improves the well-being of employees (Wright and Cropanzano, 2000; Taris et al., 2003; Griffith, 2004; Michie and West, 2004; Macey and Schneider, 2008; Robinson et al., 2004; Hakanen, 2008).

1.7. Scope and Limitations of the Study

This research identifies the determinants of employee engagement in Honda Malaysia Sdn. Bhd. (“HMSB”). The study only focused in the office located in CP Tower (Petaling Jaya, Selangor) with approximately 375 staff of different divisions.

Due to the limitation of study, firstly, the research is limited to a single case study company, HMSB. This research also does not include all level of HMSB’s employees. It is a conscious decision to rely on a single case study in order to carry out a focused and in-depth research. This might have possible implications for the generalizability of the findings beyond the research population. However, since a representative case study is selected, the findings of the research should at least be applicable to the same type of the businesses as HMSB.

Secondly, limitations in completing the study included the time constraint due to the workload and the ability to obtain a questionnaire return rate of 100% in the study.

Thirdly, to look for an accurate literature review for this research is one of the harms that have been facing by the researcher. It is because of less sufficient amount of it, the information capture is too general. The researcher needs an extra time to consolidate more on literature review on topic issued.

1.8. Definition of Key Terms

1.8.1. Employee Engagement

Robinson et al. (2004) define employee engagement as “a positive attitude held by the employee towards the organization and its value. An engaged employee is aware of business context, and works with colleagues to improve performance within the job for the benefit of the organization. The organization must work to develop and nurture engagement, which requires a two-way relationship between employer and employee.”

1.8.2. Rewards & Recognition

Rewards refer to the all compensation and incentives (financial and non-financial) provided by organizations to their employees in return for their services (Mondy, 2012). Recognition refers to acknowledgment given by employers to their employees when they perform well (Phillips and Edwards, 2008). Rewards serve to motivate employees to perform well in order to achieve organizational goals (Zakaria, et al., 2012).

1.8.3. Career Development

Career development is a component of HRD (Mc. Lagan, 1989; Marsick & Watkins, 1994), although some scholars feel it has, at best, lost its influence, or worst, its place in HRD due to the shift of career development responsibilities from organizations to individuals, where individual choice generally falls outside the traditional bounds of HRD (Swanson & Holton, 2001). McDougall & Vaughn (1996) argue that “career development involves aligning individual subjective and more objective career aspects of

an organization to find a match between individual and organizational needs, personal characteristics and career roles.” This author views career development as a mutual role, based on the needs and circumstances of both individuals and organizations.

1.8.4. Flexible Working Arrangements (FWAs)

FWAs are alternatives to the traditional “9 to 5” workday, the standard workweek, or the traditional workplace. FWAs are work practices (explained by the employer in employment policies and contracts) that allow the employees a certain degree of freedom in deciding how the work will be done and how they will coordinate their schedules with those of other employees. The employer sets certain limits such as minimum and maximum number of hours of work every day, and the core time during which all employees must be present (Geetha, 2011).

1.9. Organization of the Thesis

Generally, the body of a thesis consists of the following sections:

1.9.1. Chapter 1 : Introduction

The opening Chapter 1 of the thesis is of an introductory nature. It sets the direction and focus of the thesis by introducing the reader to the background of the study, problem statement, research questions, research objectives, scope and limitations of the study and definition of key terms.

1.9.2. Chapter 2 : Literature Review

It is critical reviews of literature and theories related to determine the relationship between rewards and recognition, career development, flexible working arrangement and employee engagement. It is meant to act as a base for the experimental of analytical section of the thesis. Literature selected related to the research as a base to guide the development of research framework.

1.9.3. Chapter 3 : Methodology

Chapter 3 presents the methodological research approach employed in the thesis and sets the thesis approach from a scientific point of view. This includes discussions and argumentations about research framework, hypotheses, research design, measurement of variables, and data collection. The chapter ends with a critical assessment of the methodological methods used in the thesis.

1.9.4. Chapter 4 : Results and Discussion

Analyses of data and findings of the research are described in this chapter. It presents complete results and analyses of the study in the form of figures, tables or text so that the key information is highlighted. Results and discussions may consist of more than one chapter depending on the nature of research.

1.9.5. Chapter 5 : Conclusion and Recommendation

Key findings are summarized according to the research objectives. The significance of the findings and theoretical, practical and policy implications were highlighted. Recommendation for future research should also be included.



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CHAPTER 2

LITERATURE REVIEW

2.1. Introduction

A literature review discusses published information in a particular subject area, and sometimes information in a particular subject area within a certain time period. A literature review can be just a simple summary of the sources, but it usually has an organizational pattern and combines both summary and synthesis. It might give a new interpretation of old material or combine new with old interpretations. The literature review in this study was elaborated on the concepts and relationships between rewards and recognition, career development, flexible working arrangements (FWAs) and employee engagement. The hypotheses were formulated in the context of this literature review.

2.2. Defining Employee Engagement

Engagement generally refers as a sensitive emotional attachment to one's work, organization, manager, or co-workers (Bates & Gubman, 2004). Engagement refers to the cognitive and emotional approaches as the state in which individuals are emotionally and intellectually committed (Baumruk, 2004). Engagement occurs when employees know what to expect, have the resources to complete their work, participate in opportunities for growth and feedback, and feel that they contribute significantly to the organization. When employees are engaged, they are emotionally connected to others and cognitively vigilant to the direction of the team (Harter, Schmidt, & Hayes, 2002).

DDI (2015) defines engagement as, firstly, the extent to which employees commit to something or someone in the organization, and how long they stay as a result of that commitment. Second, loyal employees or satisfied employees stay because they want to. They go above and beyond the call of duty to further their company's interests. Third, engagement is the state in which individuals are emotionally and intellectually committed to the organization as measured by three primary behaviours: "Say, Stay and Strive". Fourth, the extent to which employees put discretionary effort into their work in the form of brainpower, extra time, and energy.

According to Vazirani (2007), employee engagement is critical to any organization that seeks to retain valued employees. Blessing (2005) has identified retention as one of these behavioural outcomes. The Watson Wyatt Consulting company has been verified 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. Stockley (2007) defines engagement as the extent to which employee believes in the mission, purpose, organization values and demonstrates their commitment through their actions and attitude towards the employer and customers.

Based on the National Survey of U.S Workers (2004), Gallup (2012) also discussed that there are three types of employee. (1) Engaged employees: work with passion and feel profound connection to their organization. They drive innovation and move the organization forward. (2) Not engaged employee; employees are essentially checked-out. They are sleepwalking through their workday, putting time but not energy or passion in their work. (3) Actively

disengaged: employees are not just unhappy at work but they are busy acting out their unhappiness. Every day, these workers undermine what their engaged co-workers accomplish. Gallup (2012) over again has defined engagement as the individual's involvement and satisfaction with as well as enthusiasm for work (Engaged Workers Index, 2009).

Robinson (2007) has also categorized employees into three categories: (1) engaged employees work with passion and feel a profound connection to their organization. They drive innovation and move the organization forward, (2) not engaged employee is employees are making no active contribution to the success of the organization. They are putting in their time, but no energy or passion into their work and (3) actively disengaged employees are not just unhappy at work, but also act out their unhappiness. These workers undermine the efforts of engaged workers. These all the categories support the Gallup discussion as above.

All above also obtain supports by Macey and Schneider (2008) that have explained the diverse definitions of employee engagement into three aspects: (1) trait engagement refers to psychological traits of employees that they bring to work and are less affected by the work or workplace. Trait engagement influences state engagement, (2) state engagement refers to feelings of involvement, commitment, and satisfaction in the workplace, and (3) behavioural engagement refers to outcomes of engagement, including going beyond job descriptions and being adaptive in the face of opportunity and challenges.

However, Jack (2010) differently defines employee engagement is the extent to which employees are motivated to contribute to organizational competitive advantage and willing to

demonstrate commitment, loyalty, and go beyond the basic requirements to accomplish tasks and organizational goals. This is conquered by the study completed by Towers Perrin (as cited in Franketal, 2004) employee engagement is a voluntary choice of an employee to give the organization extra time, energy, and brainpower. However, according to Towers Perrin (2005) and Shaffer (2004), they refer engagement as the employee's willingness to expend discretionary effort on the job.

Towers Watson Global Workforce Study (2014) found that 24% of employees are disengaged and another 36% can be described as either unsupported or detached. A full 60% of employees lack the elements required to be highly engaged. As well, Deloitte Survey (2014) found that 78% of top executives rated engagement and retention as crucial or high priorities.

According to the Corporate Leadership Council (2004), Blessing (2005), and Smythe (2005), employee engagement are emphasized on employee cognitive connection to work or organization and subsequently behaviours that they demonstrate on the job satisfaction and commitment which is both cognitive concepts and their impact on how hard an employee is willing to work.

The "2015 Trends in Global Employee Engagement Report" by Aon Hewitt confirms this trend by noting that the average employee's work experience is down 28% versus 2013. Only about half of employees feel enabled and both autonomy (choice) and sense of accomplishment have decreased by 1% since 2013. The Aon Hewitt report also attempts to get at the root of the problem by zeroing in on the core challenge areas that emphasized on the enablement, autonomy and sense of accomplishment. Gallup estimates that employee

disengagement costs the U.S. \$450 billion to \$550 billion in lost productivity per year. However, the stakes are increasing as the economy strengthens the war for talent heats up, and recruiting, engaging and retaining the best and brightest employees becomes even more crucial.

2.3. Determinants of Employee Engagement

According to Wellins, Berthal and Phelps (2005), the engagement drivers is the lead to the creation of an engaged employee and working environment. It will have a positive impact on employee behaviour and attitudes (Wage, 2003). Different engagement studies such as Gallup organization, Tower Perrins, Hewitt, Blessing White, the Corporate Leadership Council and the Conference Board have used different definitions of engagement to come up with 26 key drivers of engagement that employers 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).

In this study, below are listed some critical drivers which lead to employee engagement that have identified by the past studies:

2.3.1. Rewards and Recognition

Rewards refer to the all compensations and incentives which is both for financial and non-financial that provided by organizations to their employees in return for their

contributions (Mondy, 2012). Rewards serve to motivate employees to perform well in order to achieve organizational goals (Zakaria, et al., 2012). In other hand, recognition refers to acknowledgment given by employers to their employees when they perform well on their contributions (Phillips & Edwards, 2008).

According to the individual-organization exchange theme, individuals join organizations with specific set of skills, desires and goals, and expect in return a decent working environment where they can use their skills, satisfy desires, and achieve their goals (Mottaz, 1988). Thus, reward plays an important role in building and sustaining the commitment among employees to ensure a high standard of performance and workforce constancy (Wang, 2004). Typically organizations have increased the substantial improvement by entirely fulfilling with the organizational strategy by a well-balanced reward and recognition programs for their employee.

Generally employees' job description and job specification determines rewards to maintain fairness among employees within an organization and competitive in the marketplace (Zaini et al. 2009). Lawler (2003) described that there are two aspects that decide how much a reward is attractive, first, the quantity of reward which is provided, and second, the weight age an employee gives to a specific reward. Employees are certainly closer to their organizations and perform better job, while they receive healthier reward and recognition in their organizations.

Moreover, rewards as well refers to all categories of financial benefits, tangible services and benefits that an employee receives as part of employment relationship with the

organization (Bratton & Gold, 1994). Rewards will increase the level of proficiency and performance of the employees on their jobs and in the result thereof increase the attainment of the organization. Organizational rewards mean all the benefits as examples financial and non-financial that an employee receives through their employment relationship with an organization (Bratton & Gold, 1994; Malhotra et al. 2007).

According to Ali and Ahmed (2009), there is a substantial affiliation between reward and recognition, and similarly in employee motivation and job satisfaction. Based on the existing studies, the rewards distinguishes into three main types that individuals seek from their organization such as extrinsic, intrinsic and social rewards (Williamson et al. 2009). First, extrinsic rewards are the physical benefits provided by the organization such as pay, bonus, fringe benefits and career development opportunities. Second, intrinsic rewards refer to the rewards that come from the content of the job itself, and encompass motivational characteristics of the job such as autonomy, role clarity and training (Hackman and Oldham 1976). Third, social rewards arise from the interaction with other people on the job and may include having supportive relationships with supervisor and co-workers.

Rewards system referred to program set up by the organization to reward performance and motivate employees on individual and group levels, they are normally considered separate from salary but may be monetary in nature or otherwise have a cost to the organization (Deeprise, 1994).

Glasscock and Kimberly (1996) differentiate the terms by noting that recognition elicits a

psychological benefit whereas reward indicates a financial or physical benefit. Recognition program is generally not monetary in nature though they may have a cost to the organization.

According to Nilay (2004), recognition and praise reinforces the employees' beliefs about themselves and helps make them think they are better than they thought they were. Employees with enhanced self-esteem can develop feelings of self-confidence, strength, making difference to the organization and being a valued member.

According to Yair (2011), feeling valued is a fundamental emotional need. Employees in all ranks want to feel valued, yet junior staff members or low level service providers especially look for a guidance and good word. Moreover, recognizing one employee is not mutually exclusive to recognizing another, each one in his/her own time and fashion. Formal recognition also does not cost a lot, but it requires thought and preparation. Taking the time and putting the thought into preparing the element of recognition, is sometimes even more appreciated than the element itself. Formal recognition may be letters of appreciation, trophies, or plaques that state the achievement.

Pinar (2011) stated that employees work harder when they are recognized and appreciated for their effort toward the work and tasks have been given and this is a simple, easy and powerful strengthen system. When employees get recognized and appreciated, they do their best to prove the skill, talents and abilities they have. Furthermore, recognizing employees is also considered a way of communication that strengths and rewards the outcomes people create for your business.

Employees who feel appreciated and recognized are more positive about themselves and their abilities to contribute. For that, leaders should improve recognition system which is powerful for both employees and organization (Hsiu-Fen, 2007). It also guarantees positive, productive and innovative organization environment. Saying thank you as recognition will make the business successful (David, Louis, & Micheal, 2004).

According to (Pettinger, 2002), a critical part of process of developing self-esteem and self-worth lies in the nature and levels of recognition accorded to the achievement of particular goals. Dissatisfaction occurs when this recognition is not forthcoming. The need for recognition itself therefore becomes energy. Individuals tend to pursue goals that will be recognized and valued by those whose opinions and judgment is important to them such as family, friends, peers and social groups, as well as work organizations.

Nilay (2004) emphasizes the worth of recognition in his article “Cashless Employee Motivation”. He points out those employees seek recognition for their accomplishments both inside and outside the organization and being respected for knowledge and skills is an important satisfier for them. The importance of the phrase “Thank You” as the least costly non-financial incentive, he lists articles in organization publications, postings on an employee information bulletin board, recognition at unit meetings, and other positive communications as the other means to recognize employees. Moreover, he notes that social incentives such as the opportunity to speak with managers and executives provide employees a chance to address their concerns and comments directly to the top. If the organization takes immediate actions to resolve the issues, employee feels that the organization give an attention about them.

Some other suggestions for recognizing the employees publically can be stated as follows; praise employees for a job well-done immediately, be specific regarding recognition, personalize by using the person's first name, greet employees, give credit where due, start a yearbook with the names and photographs of outstanding employees, arrange dinner, and incentive programs to give individuals a sense of appreciation. Moreover, arrange any related incentive programs for those whose actions are not usually in the limelight, recognize employees in front of their colleagues and spouses, coordinate a surprise celebration of the achievements of an employee or group of employees, thank employees for initiative, acknowledge a long relationship between a company and an individual, show personal interest in an employee's development and career after a special achievement, asking how you can help him or her take the next step, send birthday cards to employees signed by the CEO, when you hear a positive remark about an individual, repeat it to that person as soon as possible, if you cannot meet, leave an e-mail or voice mail message, introduce peers and management to individuals and groups who have been making significant contributions as a way of acknowledging their work (Bussin & Christopher, 2002, as cited in Nilay, 2004).

Most of the employees will be more likely to engage themselves for their role-performances. When they receive rewards and recognition from their organization, they will feel obliged to respond with higher level of engagement. Maslach (2001) suggested that while a lack of rewards and recognition can lead to burnout. Therefore, appropriate rewards and recognition is important for engagement.

Several organizations provide formal rewards and recognition programs for employee

ideas and contributions, however, many employees are still 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. The U.S Department of Labor confirmed that lack of employee appreciation plays a critical role in employees' decisions to stay and engage themselves in the organization (Wellins, Bernthal & Mark, 2003).

The following hypotheses were tested in this study:

H₁: There is a relationship between rewards and recognition and employee engagement.

2.3.2. Career Development

Hall and Associates (1986) defines "career" as a lifelong process made up of a sequence of activities and related attitudes or behaviours that take place in a person work life. It is also consider as a pattern of work related experiences such as job positions, jobs duties or activities, work related decisions and subjective interpretations of work related events, such as like work aspirations, expectations, values, needs and feelings about particular work experiences, that span the course of a person's life (Greenhaus, Callanan, & Sr. Godshalk, 2000).

In the researcher opinion, a career is not just a job, but revolves around a process, an attitude and behaviour because it represents a person's work-life to achieve career goals. Baruch (2004) indicates that career is the property of individuals, but for the employed, it

is organizations that will plan and manage employee careers.

According to Luthans and Peterson (2001), when employees feel that managers care about their development, they will respond positively towards these managers, which in turn will enhance the managers' self-efficacy. Hence, employees who understand their purpose and mission in the organization are keen to find ways to accelerate their career development.

Nevertheless, according to Matthews (2009), the second highest ranking item of engagement is learning and development. His research revealed that the organizations that provide career development opportunities are six times more likely to engage their employees than organizations that do not. 54% of employees who responded-favourably to (LC. either agreed with or strongly-agreed with) the statement "there are career opportunities for me at my organization" reported being-engaged. That figure compares to an engagement rate of only 9% among employees who responded unfavourably to this statement. Career opportunities drive engagement which in turn drives retention and productivity.

The Tower Perrin Global report shows that 84% of respondent agreed that they enjoy challenging work assignments that broaden skills and 83% agreed that they seek opportunities to develop new knowledge and skills. In addition, the survey found that, globally, one of the top ten drivers of employee engagement was improved my skills and capabilities over the last year (Confronting Myths: What Really Matters in Attracting, Engaging and Retaining Your Workforce? 2008). These outcomes recommend that

training should initiate with the first day of employment and continue throughout the employee's career to be truly successful. The Tower Perrin (2005) described that employee development is the degree to which employees upgrade their knowledge, skills and abilities in order to improve their performance.

Grecnhausetal. (2000) mentioned that career development is a continuing process which individuals go through a series of stages, each of which is reflected by a relatively unique set of issues, themes, and tasks. Hall & Associates (1986) define career development as the outcomes generated from the interaction of individual career planning and institutional career management processes. A well designed career development system enables organizations to retain their in house talent by matching their skills, knowledge, experience, and aspirations of individual accordance to the needs of the organizations.

Based on the Shulgana (2011), one of the factors that have great impact on employee engagement is career development opportunities. Sree et al (2010) argue that career development will influence employee engagement. Therefore, they recommend that management should provide meaningful work to the employees along with career-growth opportunities. If there is no career progression or opportunities or limited career advancement, then employees will definitely be disengaged at certain level and shall not remain committed with an organization (Sardar, Rahrnan, & Asadata1, 2011).

According to William and Mark (2009) have also highlighted that the company must make use non-monetary rewards such as career growth opportunities, meaningful job designs and recognition programs to foster high level of employee engagement. They

further indicate that there must be a clear link between performance and rewards in the minds of employees. Therefore, the best way to create this clear link is to make sure the differentiation between performance ratings between employees (Williarn & Mark, 2009). These performance differences can be reflected in prospects in career development opportunities.

The following hypotheses were tested in this study:

H₂: There is a relationship between career development and employee engagement.

2.3.3. Flexible Working Arrangements (FWHs)

FWAs are about the people having the opportunity to make changes to the hour employee's work which is over a day, a week or over the year, the times they work or where they work. It is also about how careers are organised, how transitions in and out of work are managed, and how flexible work is managed in the workplace so that both the employees and businesses benefit. The examples of worth flexible work include: varying starting and finishing time; annualised-ours or term time working; part-time working; working from home or teleworking; job sharing; selecting or influencing own rosters or shifts; flexible break provisions and flexible-leave/time off provisions, both paid and unpaid (New Zealand, Department of Labour, 2006).

SHRM (2014) define as flexibility in time of work allows employees some degree of choice regarding how total weekly hours are distributed to manage non-work demands. Options include flexitime, compressed workweeks, flexible shifts, part-year and seasonal

schedules, and flexible breaks during the workday. An employee with a flexitime schedule has alternative start and end times, but total weekly or daily hours worked are the same as those for other regular full-time employees. Flexitime schedules can be set up formally for a workgroup or unit or established informally with supervisor discretion. The most common flexitime arrangement is one in which employees are able to choose the times they arrive at and leave the central worksite as long as they are onsite for a core band of hours. Some arrangements allow employees to “bank time” or vary the length of workdays to reserve future time off.

According to Sullivan and Lussier (1995), flexitime is usually a companywide initiative where core hours remain consistent and a certain number of hours can be flexed. The number of hours in the office remains the same but the actual time selected is left-up to the employee. Time limits are placed on the amount of flex and the employee has by establishing core hours and a bandwidth (Olmsted & Smith, 1994). Core hours are the hours during which all employees must be on the job while bandwidth is the span of time beginning at the earliest time an employee may start work and ending at the latest time an employee may stop work. Most of the employees take an advantage of the flexible hours to meet the demands of elder-care or childcare responsibilities.

SHRM (2014) suggest there are many benefits to workplace flexibility for organizations. Some benefits, such as employee attraction and retention, are applicable to all types of flexibility, whereas others are unique to a specific type. Workplace flexibility may support long-term strategic business objectives, including cost savings resulting from reductions in turnover, absenteeism and workplace accidents. Flexibility has been linked

to positive employee outcomes such as decreased stress and improved health and well-being, which have corresponding impacts on rates of absenteeism and overall health care costs. Often employees who have the opportunity to make use of workplace flexibility show increased commitment and engagement and improved performance. These outcomes will ultimately help their employers.

According to Mary and Chris (1998), the proofs from the former study indicated that the competitive working environment and increasing workload had caused family and personal life being neglected. The outcome from changes in economy, technology, social and lifestyle in today's environments have boosted the awareness of FWAs in an organisation.

Historically, FWAs started in a Bolkow Company of Messerschmitt-Bolkow-Blohm at Ottobrunn, in Germany in 1967 (Allenspach, 1975). Even though many companies in Germany were using some system of flexible working time, this firm used it to a comparatively large proportion of its workforce which set the stage for lively discussion and implementation among many other German firms in the late 1960s. Allenspach (1975) noted that while there were 200 to 300 firms with FWAs in 1970, this figure increased tenfold to two thousand by 1971. These FWAs spread into numerous European countries and by 1975, more than 30% of workers in Switzerland worked under the new working system. Besides, Hewlett Packard (HP) had established FWAs in the United States by 1972 (Bernard, 1979).

FWAs are often considered to be an essential component of “family-friendly-policies”

and are widely seen as an ideal means to achieve a more balanced work and home life. Research shows that FWAs advantage the employees in terms of individual, family and job perspectives. Available literature clearly casts FWA as having a powerful and positive effect on employee attitudes which leads to job satisfaction (Lietchy & Anderson, 2007; Almer & Kaplan, 2002).

Government policies and good corporate social responsibility practices include reaching an ideal work life balance. At a policy-level, as articulated in the National Government in five year plans, the Malaysian government is officially committed to gender equality especially in the present-day. Liddicott (2003) said that this calls for a key which is already being practised widely in developed countries for several decades quite positively. While countries such as the United Kingdom, Northern Ireland, Europe, the United States, Australia and New Zealand have been in corporating workplace flexibility for a long time, this working arrangement is new in the Malaysian working environment (NACEW, 2007).

Commencing on 1st May 1998, FWH's schedule which is also known as Staggered-Working Hours (SWHs) has been implemented in the Federal Territory of Kuala Lumpur, aligns with the continuous improvement initiative to uplift the service delivery system to the public. The government has agreed for the SWHs to be extended to all agencies in the Federal Government throughout the country. The key objective of this policy is to increase the service quality and extend service duration to the public. In order to ensure the effectiveness of SWH, the characteristics of employees' satisfaction and motivation at work should be addressed accordingly. As such, employer should play an important role

in determining employee satisfaction, comfort zone and welfare. Cushway (1994) argued that the implementation of FWHs is an effective stage to increase productivity without increasing the workforce.

Researches in Western literature have shown that spending time with family was one of the main reasons cited by women who stopped working (Cole, 2006; Hotchkiss, 2006). FWAs such as flexitime and part-time work may well provide married women with young children who require the greatest parental time, to balance work and home (Hill, et al., 2004). This is also reiterated in the case of Malaysia where the fact remains that inflexibility at workplace and inability to balance work life and home career are important factors why married women leave the labour force (Kaur, 2004; Jamilah, 2009).

Studies show that an organisation which values its employees and recognises the importance of work life balance stands to win in terms of staff morale and commitment (Liddicott, 2003; Nadeem & Hendry, 2003). As discussed by Liechty & Anderson (2007), FWAs are beneficial for both employers and employees and they also further described how greatly it is valued by elderly parents, whose children work under FWAs. Employers should begin by revamping their recruitment policies to facilitate work life balance. FWAs, if used with quality practices at the workplace, can actually become the core of human resource management and lead to good work performance and higher productivity (de Menezes & Wood, 2006; Hau & Chew, 2006).

According to Zanten (2007), the Head of Diversity and Inclusiveness, Shell International,

he pointed out that the FWHs are the best and most suitable option to be implemented in the company. Furthermore, he also mentioned that Shell is fortunate to be one of the world's largest companies that value environment and allows more space for women to achieve a balanced life as well as plan for women to occupy 20% of senior executive positions in the company (Berita Harian, 2007). For example, in the UK labour market, the FWHs are spreading widely (Jennifer & Jean, 2009).

In Malaysia, the reason for implementing FWA was to reduce traffic congestion on the roads especially in the Klang Valley, which has one of the highest concentrations of roadway and tolled highways in the world. Despite the good basic infrastructure in the country, massive traffic jams still exist especially in the Klang Valley, and extend the working day due to lack of connectivity of public transportation. A study done by MITRANS24 in 2011 shows that only 17% or approximately 1.24 million trips per day are completed using public transport while the remaining of 83% or 6 million trips, were made using private transport, which are mostly single occupancy vehicles. Comparing this situation to Singapore, Hong Kong and London where the share of public transport trips is 64%, 74% and 90% respectively, the huge traffic jams and constant gridlock though the Klang Valley are expected. (Geetha, 2011).

In Singapore also, early 1970, the Civil Service has introduced flexitime with the main objective of easing traffic congestion during peak hours. However today, it is favourably received by staff as it enables better work life balance and the scheme has helped to better attract and retain valuable talents. As a result, FWAs lead to an increase in productivity, more efficient organisation of work, application of more scientific methods of

management and ultimately, an increase in the productivity of the economy as a whole.

Employees who work from on flex-time may reduce their commuting time, save money on related expenses and also avoid the stresses of commuting. One can make the case that employees who do not commute can work during the time formerly devoted to commuting, but this should not be a mandated component of a flexible work arrangement. Less time commuting will also benefit the environment by putting fewer cars on the road, and benefit employees by inflicting less wear and tear on vehicles. The time saved by not commuting may certainly be devoted to non-work activities that would otherwise be more difficult to complete. Workplace flexibility offers opportunities for employees to be involved in community, school and family events that take place during traditional working or commuting time (SHRM, 2014).

Even though evidence pertaining to performance is mixed, empirical investigations have not documented any decrease in performance. FWAs have also been proven to be useful for the employers in terms of increase in productivity, reduction in staff turnover, reduction in cost, reduction in job turnovers and improved management (Liechty & Anderson, 2007).

It can be concluded that to these clear benefits to employers, SHRM (2014) suggests that there is also a business case for workplace flexibility in improving the community by enabling employees to participate more freely in volunteer activities and engage more with family and friends. Workplace flexibility helps develop future generations of employees by providing current workers with more control as they seek to meet the

demands of work and family life.

The following hypotheses were tested in this study:

H₃: There is a relationship between flexible working arrangements (FWAs) and employee engagement.



CHAPTER 3

RESEARCH METHODOLOGY

3.1. Introduction

This chapter presents the overall research design employed in the study, covering both methodological as well as practical considerations on obtaining, analyzing and critically assessing the empirical data. A research design is a blueprint for the collection, measurement, and analysis of data, based on the research questions of the study. Additionally, the purpose of the chapter is to provide a detailed overview of the methodological choices taken in order to answer the research question, and to justify these choices. This chapter constitutes of the following sections: research framework, hypotheses, research design, operational definition, measurement of variable, and data collection methods. Critical evaluation of the research methods in terms of reliability, validity and generalizability is also a part of the chapter.

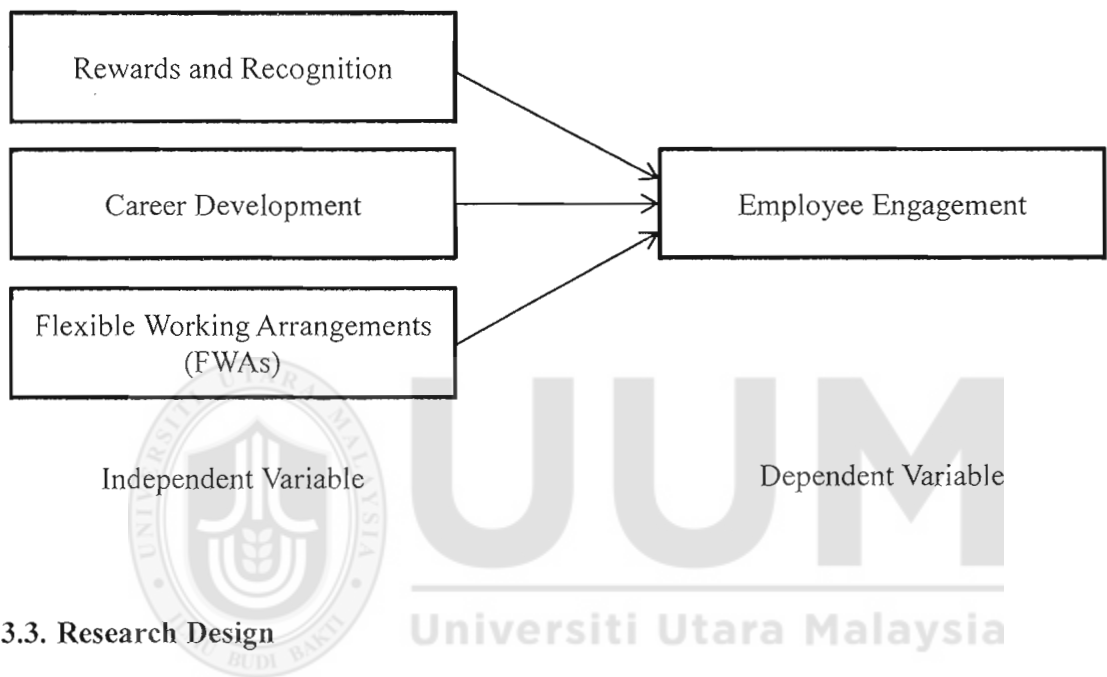
3.2. Research Framework

The research or theoretical framework is the foundation on which the entire deductive research project is based. A theoretical framework was represented the researcher beliefs on how certain variables were related to each other (a model) and an explanation of why the researcher believe these variables were associated with each other (a theory). Both the model and theory flow logically from the documentation of previous research in the problem area.

In this study, the dependent variable is employee engagement, which is the variable of

primary interest, the variance in which was explained by the three independents variables of (1) rewards and recognition, (2) career development, and (3) flexible working arrangements (FWAs). These relationships were outlined in Figure 3.1.

Figure 3.1: *Research Framework*



3.3. Research Design

A research design is a blueprint for the collection, measurement, and analysis of data, based on the research questions of the study. The researcher use quantitative research methods as this would be most convenient for this study. According to Matveev (2002), cited in Nnenna Eme Ukandu (2011), the following are advantages of quantitative research methods. This method clearly outlines the researcher’s problem in a specific way and also clarifies and precisely specifies the two variables in the research under the investigation process (Nachmais, F. & Nachmias, 1992, cited in Nnenna Eme Ukandu, 2011).

This research method helps the researcher to work according to plan in order to reach the goals of the research. Quantitative methods help to achieve a high level of reliability in the data collected and to eliminate subjectivity of judgment (Kealey & Protheroe, 1996, cited in Nnenna Eme Ukandu, 2011). Quantitative research enabled the researcher examines the relationship between rewards and recognition, career development, flexible working arrangements (FWAs), and employee engagement in HMSB.

Furthermore, quantitative research has proven to be the best for surveys, which involve a large group of people. A structured data collection process will be used to obtain a generalized conclusion of the situation (Thomas, 2004, cited in Nnenna Eme Ukandu, 2011). It will be both time consuming and costly for the researcher to question all the people that he/she desires. This will be done by floating questionnaires to respondents. Questionnaires made it possible for the researcher to obtain reliable information from the population. In this study, the criterion for selecting the populations were carefully designed to include the positions occupied in HMSB that were discussed in the next sub-section.

Meanwhile, in data analysis strategy, the researcher used both descriptive and inferential statistics. According to Sekaran (2013), the objective of a descriptive study is to describe. Descriptive studies are often designed to collect data that describe the characteristics of persons, events, or situations. It were involved the collection of quantitative data such as ratings, production figures, or demographic data.

According to Chua (2006), inferential analysis in quantitative research is suitable for this research as a survey were conducted to gain further response. Correlation analysis was

performed to find out the relationship between the two variables. According to Sekaran (2013), correlation test is able to provide confirmation on the relationship between these two variables, that is, the rewards and recognition, career development, flexible working arrangements (FWAs), and employee engagement. This method provides the relationship between these variables from the perspectives of direction, strength and significance of relationship. Correlation analysis is able to portray the strength of the relationship between two variables analyzed, those are, dependent variable and independent variable.

3.4. Operational Definitions

This study emphasized on the below terms for the operational definitions:

Table 3.1: Operational Definition

Terms	Definition
Employee Engagement	Employee engagement is the extent to which employees are motivated to contribute to organizational competitive advantage and willing to demonstrate commitment, loyalty, and go beyond the basic requirements to accomplish tasks and organizational goals (Jack, 2010).
Rewards & Recognition	Everyone strives to achieve a good living; with rewards such as salary, bonus, annual leaves, pension, etc. Normal human has the desire to feel needed, recognised and accepted by the society. (Kreitner & Kinicki, 2001).
Career Development	It is the evolution or development of a career informed by experience within a specific field of interest, success at each development and educational attainment. Career development includes learning, developing and mentoring employees to ensure that they navigate their career path within an organization, which enhance

	productivity for an organization (Blau, 1998).
Flexible Working Arrangements (FWAs)	Suitable working hours are needed by the employees to have a balance between working hours and time to be spent with family and personal matters at home. The employee will feel more motivated if time spent with children at home is extended (Kreitner & Kinicki, 2001).

3.5. Measurement of Variables

In this study, personally administered questionnaires were used for the data collection. When the survey was confined to a local area a good way to collect data was to personally administer the questionnaire. A questionnaire is a pre-formulated written set of questions to which respondents record their answers, usually within rather closely defined alternatives. They are an efficient data collection mechanism when a study is descriptive.

The main advantage of this method was the researcher can collect all the completed responses within a short period of time. Any doubt that the respondents might have on any question were clarified on the spot. The researcher was also afforded the opportunity to introduce the research topic and motivate the respondents to offer their frank answers. Questionnaires used less expensive and time consuming. It also does not require as much skill to administer a questionnaire.

A disadvantage was the researcher can only receive answers to questions that have been asked (Johnson and Harris, 2002, cited in Nnenna E.U, 2011). The researcher does not have control over participant interpretation, and there might be a low response rate and uncertainty about who actually completed the questionnaire or did not.

The instrument for this study would be the questionnaire which was intended to identify the determinants that contribute to employee engagement in HMSB. The designed questionnaires divided into two sections, namely the demographic information in section A; and the content-based questions in section B, C, D, and E. The layout of questionnaire was as follows:

Table 3.2.: Questionnaire Layout

Section	Variables	Number of Items	Sources
A	Demographic Information: <ol style="list-style-type: none"> 1. Gender 2. Age 3. Marital Status 4. Race 5. Academic Qualification 6. Job Category 7. Division 8. Length of Service 	8	-
B	Dependent Variable Employee Engagement	8	Gallup Organization (2001)
C	Independent Variables Rewards and Recognition	7	Gallup Organization (2001)
D	Career Development	7	Gallup Organization (2001)
E	Flexible Working Arrangements (FWAs)	7	Geetha Subramaniam (2011)

The researcher adopted the likert-scale approach to evaluate behavior, perceptions, attitudes or other phenomena (Leedy and Ormrod, 2005, cited in Nnenna Eme Ukandu, 2011). The linkert scale was designed to examine how strongly subjects agree or disagree with statements on five-point scale with the following anchors in Table 3.3.

Table 3.3: Five-point Scale

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

Section A: Demographic Information

In this section, all demographic information was tapped by direct single questions.

Section B, C, D and E: Content-Based Questions

This section focuses on dimensions that relate to the relationship between rewards and recognition, and career development, flexible working arrangements (FWAs) and employee engagement. Each dimension of the questionnaires had explained to participants. All the respondents were required to indicate their level of agreement with each of the following statements at the most appropriate answer.

Table 3.4: Content-Based Questions for Employee Engagement

No.	Employee Engagement	1	2	3	4	5
1.	I fully understand what employee engagement is.					
2.	My opinions and ideas seem to matter at work.					
3.	I have opportunities to learn and grow in my job.					
4.	I am fully aware of my purpose and what is expected out of me.					
5.	I am comfortable sharing my opinions at work.					
6.	My manager values my talents and the contribution I make.					
7.	I am able to satisfy both my job and family responsibilities.					
8.	Overall, I am satisfied with my Company.					

Table 3.5: Content-Based Questions for Rewards and Recognition

No.	Rewards and Recognition	1	2	3	4	5
1.	The benefits offered here are fair and reasonable.					
2.	My salary is competitive with similar jobs I might find elsewhere.					
3.	I understand my benefit plan.					
4.	My benefits are comparable to those offered by other organizations.					
5.	I am satisfied with the recognition given by the Company.					
6.	I believe the Company rewards its employee fairly and					

7.	accordingly. My Supervisor gives me praise and recognition when I do a good job.	
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Table 3.6: Content-Based Questions for Career Development

No.	Career Development	1	2	3	4	5
1.	I have adequate opportunities for professional growth in this organization.					
2.	I receive the training I need to do my job well.					
3.	My manager is actively interested in my professional development and advancement.					
4.	My manager encourages and supports my development.					
5.	I have a mentor at work.					
6.	I regularly receive recognition / praise for doing good job.					
7.	In the last six (6) months, my supervisor at work talked to me about my progress.					

Table 3.7: Content-Based Questions for Flexible Working Arrangements (FWAs)

No.	Flexible Working Arrangements (FWAs)	1	2	3	4	5
1.	FWHs allow me more time for family.					
2.	FWHs allow me more time for networking.					
3.	I am able to avoid traffic and the stresses of commuting during rush hours.					
4.	I am able to avoid interruption at the office and get work done later.					
5.	I am able to produce better quality work overall.					
6.	I can work during hours when I am most productive.					
7.	I have autonomy over my own time schedule.					

3.6. Data Collection

Surveys were useful and powerful in finding answers to research questions through data collection and subsequent analyses. In this research, data were obtained from secondary data sources. Secondary data refer to information gathered from sources that already exist. A total of 250 sets of personal administrated questionnaires were distributed and a total of 158 sets of questionnaires were collected for data collection. The respondents were given one week to

answer and return the questionnaire to the researcher by hand. Documents, employees' hand book, organizational records, journals, articles and website database were also used for more sources, and these were also compared to results obtained from the field. The investigation was conducted in HMSB.

3.6.1. Population and Sample Design

The population in this study comprised all the HMSB staff with the total of 375 that based in CP Tower at Petaling Jaya, Selangor office. According to Krejcie and Morgan (1970), for a population size of 375, the appropriate sample size should be 191. However, to obtain higher responses rate, 267 were successfully distributed.

3.7. Data Collection Procedures

Questionnaires that were used in this study must be obtained the approval from the Vice President of Administration, HMSB for distribution to the staff. Upon approved, questionnaires were distributed to 267 staff in HMSB by hand. After two reminders, 158 completed questionnaires were received within a period of one week. The high return rate of 63% can be attributed to the shortness of the questionnaire and perhaps the motivation of the HMSB staff to respond to a topic close to their heart. Questionnaires were not electronically administrated for various reasons, including the advantage it afforded to the busy respondents to reply without open the email.

3.8. Data Analysis

After data have been collected from a representative sample of the population, the next step is to analyze them to test the research hypotheses. Data were obtained through questionnaires, they need to be coded, keyed in, and edited into a database. The first step in data preparation was data coding. Data coding involves assigning a number to the participants' responses. For instance, SPSS Data Editor (Statistical Package for the Social Sciences, Version 22) was used by the researcher for the statistical analysis. After that, data transformation was acquired as the process of changing the original numerical representative of a quantitative to another value. Data were typically changed to avoid problems in the next stage of the data analysis process. The following statistical techniques were analysed the data required:

3.8.1. Frequencies

Frequencies simply refer to the number of times various subcategories of a certain phenomenon occur, from which the percentage and the cumulative percentage of their occurrence can be easily calculated (Sekaran, 2013).

3.8.2. Reliability Test

The reliability of a measure was established by testing for both consistency and stability. Consistency indicates how well the items measuring a concept hang together as a set. Cronbach's alpha is a reliability coefficient that indicates how well the items in a set were positively correlated to one another. Cronbach's alpha was computed in terms of the average inter-correlations among the items measuring the concept. The closer Cronbach's

alpha is to 1, the higher the internal consistency reliability. According to Sekaran (2013), Cronbach’s alpha measures are as follows:

Table 3.8: *Cronbach’s Alpha Interpretation*

Alpha Value	Reliability
Less than 0.60	Poor
In the 0.70 range	Acceptable
Over 0.80	Good

3.8.3. Correlations

A Pearson correlation matrix indicates the direction, strength, and significance of the bivariate relationships among all the variables that were measured at an interval or ratio level. The correlation is derived by assessing the variations in one variable as another variable also varies. According to Davies (1971), the relationship between the independent variables and dependent variable are as follows:

Table 3.9: *Pearson Correlation Coefficient Interpretation*

Coefficient Value	Relation Between Variables
0.01 to 0.09	Very Low Relationship
0.10 to 0.29	Low Relationship
0.30 to 0.49	Moderate Relationship
0.50 to 0.69	Strong Relationship
0.7 and Above	Very Strong Relationship

3.8.4. Multiple Regression Analysis

Furthermore, multiple regression analysis was used to identify dominant three independent variables that have close relationship with the dependent variables.

Additional, it also used to answer the hypotheses that had been formulated. According to Sekaran (2006) the square of multiple " R^2 " will explain the dependent variable by the predictors and this is known as Multiple Regression. Through R^2 , the F statistics and its significant level are known; the result can then be interpreted.

3.9. Conclusions

It can be concluded, research methodology necessitates a reflection on the planning, structuring and execution of the research in order to comply with the demands of truth, objectivity and validity. The research method used for this research was quantitative method. The quantitative method makes it possible for the researcher to achieve a high level of reliability in relation to data analysis.

This chapter has explained the research design, elements of methods and also the strategy for this study. It was defined on how the instruments were used in data collection, criteria for the selection of respondents, development of the questionnaire, and collection of the research materials and also procedure of the survey. This chapter also briefly explains the adoption of several analyses such as correlation and regression analysis to test the research hypotheses. The findings and discussion of the study were explained in Chapter 4.

CHAPTER 4

FINDINGS & DISCUSSION

4.1. Introduction

According to Prof. Dr. Abdul Halim Abdul Raof (2009), findings are finds based on facts, data or responses from the respondents who participate in the research study. Findings are not based on emotions, sentiments or unanalysed raw data. However, findings can be in the form of statistic or a detailed explanation of responses given by the respondents in an interview. In this research, the statistics were used to present the quantitative findings are percentages, frequency counts and averages. The findings are clearly reported and effectively presented using illustrations, for example tables, graphs and diagrams.

Therefore, this chapter has been discussed the results of the research on the determinants of employee engagement in Honda Malaysia Sdn. Bhd. (“HMSB”). All the data were elaborated by the various statistical tests. The interpretation of the results were analysed using the SPSS Version 22 for Windows-a menu-driven software program. The researcher was examined the use of descriptive statistic such as the mean and standard deviation. After determining the reliabilities (Cronbach’s alpha) for the measures, frequency distribution for the demographic variables were obtained. Then, a Pearson correlation matrix was obtained for the four independent variables and dependent variable. Multiple regression analysis was performed to examine the simultaneous effects of the independent variables (IV) on a dependent variable (DV) that is interval-scaled. In conclusion, each hypothesis was then tested.

4.2. Response Rate

A total of 267 set of questionnaires were distributed to the HMSB staff based at CP Tower (Petaling Jaya, Selangor) office, however, 158 sets were completed and returned. Response rate were calculated and tabulated in Table 4.1.

Table 4.1: Response Rate

Item (s)	Total	Percentage (%)
Questionnaires Distributed	267	100
Collected Questionnaires	158	59.2
Uncollected Questionnaires	109	41

4.3. Demographic Analysis

Table 4.2 demonstrated the results based on respondents demographic.

Table 4.2: Demographic Analysis

Item (s)	Demographic Information	Frequency	Percentage (%)
1. Gender	Male	90	57
	Female	68	43
2. Age	Below 25 Years Old	32	20.3
	26 to 35 Years Old	106	67.1
	36 to 45 Years Old	16	10.1
	46 to 55 Years Old	4	2.5
3. Marital Status	Single	78	49.4
	Married	80	50.6
4. Race	Malay	110	69.6
	Chinese	25	15.8
	Indian	16	10.1
	Others	7	4.4
5. Academic Qualification	SPM / STPM	8	5.1
	Certificate / Diploma	32	20.3
	Degree	106	67.1
	Master	12	7.6
6. Job Category	Non-Executive (Permanent)	11	7.0
	Non-Executive (Contract)	17	10.8

	Executive & Above (Permanent)	121	76.6
	Executive & Above (Contract)	9	5.7
7. Division	Administration / HR / Legal	17	10.8
	Customer Relations	18	11.4
	Dealer Development	22	13.9
	Finance	3	1.9
	Information Technology	8	5.1
	Marketing	20	12.7
	Procurement	4	2.5
	Sales	21	13.3
	Service Operations	38	24.1
	Spare Parts	7	4.4
8. Length of Service	Below 2 Years	87	55.1
	3 to 5 Years	44	27.8
	6 to 8 Years	15	9.5
	More Than 9 Years	12	7.6

4.3.1. Gender

Table 4.3 shows that 57% (90) of respondents were male and 43% (68) of the respondents were female.

4.3.2. Age

The majority of the respondents age ranged from 26 to 35 years old were 67.1% (106) followed by below 25 years old of the respondents were 20.3% (32). The remaining of 10.1% (16) of respondents' age ranged between the age of 36 to 45 years old and another 2.5% (4) of the respondents were 46 to 55 years old.

4.3.3. Marital Status

Marriage status showed that the majority of the respondents were married (50.6%) with frequency of 80 and 49.4% (78) of the respondents were still single.

4.3.4. Race

Distribution of the respondents according to their race, 69.6% (110) of the respondents were Malay followed by 15.8% (25) of the respondents were Chinese. The remaining of 10.1% (16) of the respondents were Indian and another 4.4% (7) of the respondents were others race.

4.3.5. Academic Qualification

From the frequencies obtained for the academic qualification it was found that 67.1% (106) of the respondents had a degree, 20.3% (32) of the respondents had a certificate / diploma, 7.6% (12) of the respondents had a master, and 5.1% (8) of the respondents had a SPM / STPM.

4.3.6. Job Category

Table above shows that the highest percentages of the respondents were Executive & Above (Permanent) with percentage of 76.6% (121). 10.8% (17) of the respondents were Non-Executive (Contract). About 7.0% (11) of the respondents were Non-Executive (Permanent) and 5.7% (9) of the respondents were Executive & Above (Contract).

4.3.7. Division

Most of the respondents in the sample came from the Service Operations division (24.1%), followed by Dealer Development division (13.9%), Sales division (13.3%), Marketing (12.7%), Customer Relations division (11.4%), Administration / HR / Legal division (10.8%), Information Technology division (5.1%), Spare Parts division (4.4%),

Procurement division (2.5%) and Finance division (1.9%).

4.3.8. Length of Service

As for the length of service, 55.1% (87) of the respondents had below 2 years of service, followed by 27.8% (44) of respondents had 3 to 5 years of service, 9.5% (15) of the respondents had service of 6 to 8 years and only 7.6% (12) of the respondents had service of more than 9 years in the organization.

4.4. Reliability Analysis

As rewards and recognition, career development, flexible working arrangements (FWAs), and employee engagement were measured with multiple-item scales, the consistency of the respondent’s answer to the scale items has to be tested for each measure. Table 4.3 provides an overview of Cronbach’s alpha for the 29 items consist of four (4) variables. The closer Cronbach’s alpha is to 1, the higher the internal consistency reliability. Table below shows that the alpha was are well above 0.60 with alpha at 0.914.

Table 4.3: Reliability of the HMSB Measure

Reliability Statistic	
Cronbach’s alpha 0.914	Number of Items 29

According to Sekaran (2013), a reliability value less than 0.60 is considered to be poor, those in 0.70 range, acceptable, and those over 0.80 good. Thus, the internal consistency reliability of the measures used in this research is good and can be considered to be acceptable.

4.5. Descriptive Analysis

Once the reliability was measured, descriptive statistics such as means and standard deviations were obtained for the interval-scaled independent and dependent variables in the HMSB study. All the variables were tapped on a five-point scale. The results are shown in Table 4.5.

From the results, it may be seen that the mean on flexible working arrangements (FWAs) is highest (3.83 on a five-point scale), as is the mean on employee engagement (3.71). Reward and recognition is about average (3.54 on a five-point scale), and the mean on career development is (3.41).

Table 4.4: Descriptive Statistic for Independent and Dependent Variables

Descriptive Statistics	UUM	
	Mean	Std. Deviation
Rewards & Recognition	3.54	.55485
Career Development	3.41	.71299
Flexible Working Arrangements (FWAs)	3.83	.68896
Employee Engagement	3.71	.48013

4.6. Inferential Analysis

4.6.1. Pearson Correlation Coefficient Analysis

The Pearson correlation matrix obtained for the five interval-scaled variables is shown in Table 4.6. As would be expected, the results have presented that the employee engagement are significantly positive with strong relationship correlated to rewards and recognition ($r=0.565$) and career development ($r=0.687$). While, flexible working

arrangements (FWAs) shows the low relationship ($r=0.263$). The correlations are all in the expected direction. All the correlations are significant at the 0.01 level (2-tailed) $p=0.01$.

Table 4.5: Correlation between Independent and Dependent Variables

	(1)	(2)	(3)	(4)
Rewards & Recognition (1)	-	-	-	-
Career Development (2)	.568**	-	-	-
Work-Life Balance (FWHs) (3)	.288**	.105	-	-
Employee Engagement (4)	.565**	.687**	.263**	-

**Correlations are significant at the 0.01 level (2-tailed) $p=0.01$.

4.6.2. Multiple Regression Analysis (MRA)

Multiple regression analysis provided means of objectively assessing the degree and the character of the relationship between the independent variables and the dependent variable. Thus, the regression coefficient indicates the relative importance of each of the variables in the prediction of the dependent variable. In additional, the individual correlations between the dependent variables and the dependent variable collapse into what is called a *multiple r* or multiple correlation coefficients. The R-square is the amount of variance explained in the dependent variable by the predictors as illustrated in the Table 4.8.

Table 4.6: Multiple Regression Analysis (MRA)

Independent Variables	Dependent Variable
Rewards & Recognition	.211
Career Development	.552
Flexible Working Arrangements (FWAs)	.144
F Value	59.268
R	.732
R-Square	.536
Adjusted R-Square	.527

* $p < 0.05$, ** $p < 0.01$

With reference to the Table 4.9, the results indicate that the hypotheses were also substantiated. That is, the R-value of 0.732 at significance level of $p < 0.01$. The R-Square value found the portion of the variance accounted for by the independent variable that was approximately .0536. This value was indicated that those there (3) factors explained employee engagement by 53.6%. The value of Adjusted R-Square was obtained .527, illustrate that 52.7% that changes of dependent variable which is the employee engagement has been clarified by the three independent variables. The other percentage of 47.3% were explaining by others factor that were not considered in this study.

4.7. Summary of Findings

To conclude the summary of findings, each hypothesis was then tested. The correlation matrix provided the answer to the hypotheses as the resulting:

Table 4.7: Summary of Findings

Hypotheses		Result
H ₁	There is a positive relationship between rewards and recognition and employee engagement.	Accepted
H ₂	There is a positive relationship between career development and employee engagement.	Accepted
H ₃	There is a positive relationship between flexible working arrangements (FWAs) and employee engagement.	Accepted

4.8. Discussion

Summary of the findings were concluded that a total of 158 set of questionnaires were completed and returned by HMSB staff that based at CP Tower (Petaling Jaya, Selangor) office with the percentage of 63%. Results were presented through frequency counts. Based on the reliability analysis, the Cronbach's alpha shows the alpha was well above 0.60 (0.914) for the 29 items consist of four variables were taken into consideration namely rewards and recognition, career development, and flexible working arrangements (FWAs). The internal consistency reliability of the measures used in this research is good and can be considered to be acceptable.

At the overall findings, descriptive analysis has indicated the mean on flexible working arrangements (FWAs) at 3.83 on a five-point scale, mean on rewards and recognition at 3.71 on a five-point scale, and mean on career development was responded at the average, 3.41 on a five-point scale. This measure of central tendency that is, the mean, might offer the

manager a good ideas of the improvement on the engagement initiatives.

A Pearson correlation matrix indicates the direction, strength, and significance of the bivariate relationships among all the variables that were measured. The correlations are all in the expected direction in positive relationship. Thus, the correlations matrix also provided the answer to the hypotheses. Results of each objective are reviewed and compared with previous literature.

Objective 1: To examine the relationship between rewards and recognition and employee engagement.

Descriptive analysis found the mean on rewards and recognition responded by HMSB staff was average at 3.54 on a five-point scale with standard deviation of .55485. As well, the Pearson correlation matrix has presented there is a positive and strong relationship between rewards and recognition and employee engagement with $r=0.565$. The result was accepted. Moreover, the coefficient beta for this determinant was $\beta=.211$ at significance level .003.

The relationship between rewards and recognition and employee engagement are important to this study because most of the HMSB staff said that their salary is not competitive with similar jobs that they might find elsewhere. They also felt that the company does not reward its employee fairly and accordingly to their working experiences. Moreover, they felt that that they do not receive recognition or praise from their superior for doing a good job.

Therefore, relationship between rewards and recognition and employee engagement have associated with the previous study in the literature review by Pinar (2011) that stated

employees work harder when they are recognized and appreciated for their effort toward the work and tasks have been given and this is a simple, easy and powerful strengthen system. When employees get recognized and appreciated, they do their best to prove the skill, talents and abilities they have. Furthermore, recognizing employees is also considered a way of communication that strengths and rewards the outcomes people create for your business. For that, leaders should develop recognition system which is powerful for both employees and organization (Hsiu-Fen, 2007).

It also was aligned with the Maslach (2001) said the most of the employees will be more likely to engage themselves for their role-performances. When they receive rewards and recognition from their organization, they will feel obliged to respond with higher level of engagement. Maslach (2001) suggested that while a lack of rewards and recognition can lead to burnout. Therefore, appropriate rewards and recognition is important for engagement.

Objective 2: To examine the relationship between career development and employee engagement.

Descriptive analysis found the mean on career development that was responded by HMSB staff at 3.41 on a five-point scale with standard deviation of .71299. As well, the Pearson correlation matrix have presented there is a positive and strong relationship between career development and employee engagement with $r=0.687$. The result was accepted. Moreover, the coefficient beta for this determinant was $\beta=.552$ at significance level .000. Career development was the top dominant driver related to employee engagement in HMSB.

The relationship between career development and employee engagement are important to this study due to the poor career development planning. HMSB staff concerns that the management is not interested in their professional development and advancement.

Therefore, relationship between career development and employee engagement have supported with the previous study in the literature review by Luthans & Peterson (2001) that emphasized when employees feel that managers care about their development, they will respond positively towards these managers, which in turn will enhance the managers' self-efficacy. Employees who understand their purpose and mission in the organization are eager to find ways to accelerate their career development.

Based on the study by Shulgana (2011), one of the factors that have great impact on employee engagement is career development opportunities. Sree et al (2010) claim that career development will influence employee engagement. Therefore, they recommend that management should provide meaningful work to the employees along with career-growth opportunities. If there is no career progression or opportunities or limited career advancement, then employees will definitely be disengaged at certain level and shall not remain committed with an organization (Sardar, Rahrnan, & Asadata1 2011).

Objective 3: To examine the relationship between work-life balance flexible working arrangements (FWAs) and employee engagement.

Descriptive analysis found the mean on flexible working arrangements (FWAs) responded by HMSB staff was higher at 3.83 on a five-point scale with standard deviation of .68896. As well, the Pearson correlation matrix have presented there is a positive but low relationship

between FWA and employee engagement with $r=0.263$. The result was accepted. Moreover, the coefficient beta for this determinant was $\beta=.144$ at significance level .013. FWA was the bottom dominant driver related to employee engagement.

The relationship between FWA and employee engagement are important to this study because employees felt that the total daily working hours in HMSB is too long that consist of 9 hours 50 minutes compared to normal working hours. Traffic congestion on the roads especially in the Klang Valley is another factor highlighted.

Therefore, relationship between flexible working arrangements (FWAs) and employee engagement aligned with the previous study in the literature review that shows that an organisation which values its employees and recognises the importance of work-life balance stands to win in terms of staff morale and commitment (Liddicott, 2003; Nadeem & Hendry, 2003). Employers should begin by revamping their recruitment policies to facilitate work-life balance. FWA, if used with quality practices at the workplace, can actually become the core of human resource management and lead to good work performance and higher productivity (de Menezes & Wood, 2006; Hau & Chew, 2006).

It also suggested by SHRM (2014) that there are many benefits to workplace flexibility for organizations. Some benefits, such as employee attraction and retention, are applicable to all types of flexibility, whereas others are unique to a specific type. Workplace flexibility may support long-term strategic business objectives, including cost savings resulting from reductions in turnover, absenteeism and workplace accidents. Flexibility has been linked to positive employee outcomes such as decreased stress and improved health and well-being,

which have corresponding impacts on rates of absenteeism and overall health care costs. Often employees who have the opportunity to make use of workplace flexibility show increased commitment and engagement and improved performance. These outcomes are ultimately helping their employers.

4.9. Conclusions

Based on the results gathered, the most dominant driver related to employee engagement was career development with $\beta=.552$ at significance level .000. These findings were identified among all the three (3) independent variables; career development has been identified as the most determinants of employee engagement in HMSB.

In the previous study by Matthews (2009) said to support the above results obtained, the second highest ranking item of engagement is learning and development. His research revealed that the organizations that provide career development opportunities are six times more likely to engage their employees than organizations that do not. 54% of employees who responded favourably to (LC. either agreed with or strongly agreed with) the statement "There are career opportunities for me at my organization" reported being engaged. That figure compares to an engagement rate of only 9% among employees who responded unfavourably to this statement. Career development drives engagement which in turn drives retention and productivity.

The results of this study confirm that the variables considered in the theoretical framework are important. The researcher covered the initial steps of the procedure for analysing data

once they are collected and hypotheses testing. The researcher also obtained descriptive statistics for the variable in this study. Finally, the researcher tested the goodness of data using Cronbach's alpha. The various statistical analyses and test used to examine different hypotheses to answer research questions. The researcher discussed the use of multiple regression analysis and learned how the relationships between the determinants and employee engagement are interpreted. Chapter 5 will be discussed on the conclusions and recommendations for future studies.



CHAPTER 5

RECOMMENDATIONS & CONCLUSIONS

1.1. Introduction

The conclusion section is where the researcher sums up the main points of the report. The conclusion were clearly relate to the objectives and results of this research. The purpose of a conclusion was to tie together or integrate the various issues covered in the research and to draw logical deductions based on the research findings. Furthermore, the recommendation section in this report was the place where the suggestions or actions were taken also based on the findings.

As overall, this study investigated the determinants of employee engagement among HMSB staff. Three variables were taken into consideration namely rewards and recognition, career development, and flexible working arrangements (FWAs). Secondary data were collected by distributing questionnaire by 158 staffs. As mentioned earlier in the introduction, the purpose of this study was to examine the determinants of employee engagement in HMSB. The results presented the employee engagement are significantly positive with strong relationship correlated to rewards and recognition at ($r=0.565$) and career development at ($r=0.687$). While, flexible working arrangements (FWAs) shows the low relationship at ($r=0.263$). These findings were identified among all the three (3) independent variables; career development has been identified as the most determinants of employee engagement in HMSB. The overall results have shown that all the independent variables were influenced employee engagement in positive relationship. The study that was done also highlights and strengthens previous

literature that indicates the determinants measured have an immense impact on HMSB staff.

1.2. Implication of the Study

The results of this research are likely to have important implications for practitioners. The significant of relationships identified during this study can help HMSB managers to understand why employees are engaged or disengaged at work. A critical role of HMSB is to provide an environment that boosts the potential of individual employees especially on the career development.

Therefore, investing in the development of employee is the main pillar of good business. Each year, Human Capital Development of HMSB should increase a number of management and leadership courses, as well as functional and technical ones will be offered either in-house or external training for their career development. HMSB should intend to sustain and amplify its status as the No. 1 in Non-National Brand for many years to come.

Moreover, the HMSB management should refine their retention initiatives as an integral part of the Group's leadership pipeline and succession planning strategy. They should develop more initiatives such as Leadership Talent Review or else as a process for managing their existing pool of high-potential employees, at every level which is from Junior Executive to Senior Manager. It could be identified based on employee formal performance appraisal track record, as well as feedback and recommendation from their immediate superiors. As they are earmarked for the career development or career fast-track, the management must design developmental programs for their employee, which will further enhance their ability to keep

up with the pace.

Career development provides opportunities that can be mutually beneficial for both employees and employers. Employees who partake in job training, continuing education and other types of professional development can refine and acquire new skill sets that could help advance their career. In addition, a more knowledgeable staff may translate into various advantages for employers. Developing more well-rounded employees by preparing them to better handle tasks and be successful in their roles helps organizations become more effective and efficient.

1.3. Recommendations

An engaged workforce is fundamental to sustained competitive advantage and accelerated business performance. Research has revealed that engagement is more complex than this, and can be directed by employees in one or the two ways. When employer positively evaluates their experience of the job and organization, they are more likely not only to feel satisfied, committed, but also to be advocates for the company and engage in behaviours that enhance both job and organizational performance. Therefore, it can be recommended as the following:

- Effective employee engagement initiatives are communicated well and based on recognition, reaching every level of an organization. Engagement is a two ways process between employees and an employer. Therefore, employees should be engaged in decision-making. They must give the authority to act in the best interests of the company. In many cases, HR department's plans and decisions are not discussed with employees.

Besides that, employers should solicit feedback on a regular basis from employees and encourage open lines of communication to keep employees happy and engaged. The best is managers listen to and communicate frequently with all employees and make it easy for employees to tell them about problems and concerns.

- Management should find out what employees want from their career and do what the company can do to provide for their needs. It should take a real and genuine interest in people's career aspirations and personal lives. They should also give the employees appropriate training to increase their knowledge and skill. Career development has become attractive to organizations that seek to improve performance and productivity.
- HMSB should also have a structured career development plan. This will allow employees to have a better long-term vision of their evolving role inside the company. It will also allow the company to show its commitment to developing its talent, which benefits both the company and the employee.
- Furthermore, HMSB should also develop a strong succession plan. As employees are recruited, trained and developed, they must also see that there is a possibility for them to navigate their career path within the organization. The plan ensures that there are available people ready to step up and take responsibility when called upon. This helps create job satisfaction and also serves as a perfect way to retain employees.
- Moreover, management should establish reward mechanisms in which good jobs are rewarded through various financial and non-financial incentives. There is so much

competition among companies that they are looking for ways to gain a competitive advantage as the global business environment becomes increasingly complex.

- A performance-based compensation plan should be designed to motivate the employees to behave in ways that will result in achievement of the goals of the Company, while also meeting employees' personal objectives. HR departments should be concerned about the implementation of the appropriate reward system. The pay plan must be objective and fair to all employees.
- Money is not always the primary motivator for most employees. Recognize the people for their good job make them repeat the performance frequently. Effective recognition programs boost engagement and encourage employees to be sensitive, passionate, creative contributors.
- In HMSB, flexible working arrangements (FWAs) allow employees to balance their career goals and private interests with the company's operating requirements. This makes everyone happier, which in turn is a major boost for motivation and performance. Consequently, it is important for the organization to provide more attention on this policy. In addition, the organizations should also perceive the implementation of the flexible working arrangements (FWAs) from a broader perspective (e.g.: reduce working hours, compressed work week, employee's choice of the day off, job sharing, etc.). This is because the studies of alternating working hours portray impact on work-life conflict and health.

- Finally, management should measure performance based on their productivity level and not the quantity of time taken in completing their tasks. This will also allow an employee to juggle between their personal needs and commitment to the organization. Many of the employees are free to decide for themselves how to schedule their working day. Management must well aware that their self-responsibility and individuality are crucial to both creativity and productivity. These initiatives allow HMSB to offer workable solutions to keep high performing employees whilst continuing to drive performance and support business objectives.

1.4. Future Research

This study was conducted to achieve the set objectives. This research considers only limited variables which affect the three drivers and employee engagement, future research could add some other variables. To get more accurate results more questions and more respondents should be included. Future research should enlarge diversity of data by adding respondents from the Malacca plant also which will make a significant contribution to the results.

1.5. Conclusions

The study of the relationship helps to fill a gap in the literature as employee engagement is a fairly new term. The first step is to identify and analyse the most dominant determinants of employee engagement among HMSB staff. Measurement without action can do more harm and do nothing with that findings will lead to employees feeling that they are not being heard. It can turn negatively impact morale and trust levels. The real challenge is in

equipping their business to perform and ensuring that transformation is embedded in the culture so that their workforce remains focused and aligned to the business strategy.

In order to thrive, HMSB must put measures in place to make such the company become the employer of choice. They have to give their employees the right to make their work exciting and creating an environment for having an engaged work life. Employees are the key assets of any organization and if they are not given the right space and time to make a perfect blend of work and fun at the workplace, then the sense of disengagement sets for the employees. Organization and employees are both dependent on each other to fulfil their goals and objectives. Thus, employee engagement should not be a one-time exercise but it should be integrated into the culture of the company.

Meanwhile, rewards and recognition if improved could have positive effect on motivation and satisfaction. Thus reward plan plays vital role in enhancing the value delivered to the employees. The payment, promotion, benefits and recognitions shows that employees are more engaged with those aspects. Therefore, rewards and recognition plans programmes given to the employees in HMSB has to be revised, in such a way that it has to motivate and satisfy them. This can be achieved by adopting best practices that facilities the growth and development of employees, which in turn reduces turnover as employees would become increasingly attached, engaged and satisfied.

Furthermore, the changing nature of work and the workforce is driving the need for more innovative and effective work arrangements in all sectors of the economy. Organizations that want to attract and retain high-performing employees understand the benefits of using

workplace flexibility to increase employee efficiency and productivity. Additional, more executives and managers recognize that workplace flexibility is critical for managing talent, maximizing productivity and achieving strategic goals. The latest research shows that many employers use workplace flexibility as a means of improving the bottom line as well as supporting employees' efforts to manage their work and family demands. Experts predict that workplace flexibility is likely to become a competitive business practice.

From the above research, it was concluded that determinants of employee engagement in HMSB was showed the significance relationships. The various initiatives will be taken by HMSB help to keep all the employees engaged with the organization.



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Appendix A : Questionnaire



COLLEGE OF BUSINESS
UNIVERSITI UTARA MALAYSIA
KUALA LUMPUR CITY CAMPUS

Dear Respondents,

I am currently a master's student from College of Business, University Utara Malaysia, Kuala Lumpur. As part of the mandatory fulfillment criteria towards the completion of my postgraduate study, I am currently working on the research entitled **"Determinants of Employee Engagement in Honda Malaysia Sdn. Bhd."**.

This questionnaire consists of five (5) parts: Section A (Demographic Information), Section B, Section C, Section D and Section E (Determinants of Employee Engagement). All the questions are mandatory.

It should not take you more than ten (10) minutes to complete this questionnaire. Your answers will be treated as confidential and will only be used for educational purposes.

Thank you for your time.

Yours sincerely,

AYUNI ASMA BINTI ABDULLAH (818791)

Master of Human Resource Management

University Utara Malaysia, Kuala Lumpur

SECTION A
DEMOGRAPHIC INFORMATION

Please tick (✓) in the box which applies to you.

1. Gender

Male	<input type="checkbox"/>	Female	<input type="checkbox"/>
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2. Age

Below 25 years old	<input type="checkbox"/>	46 to 55 years old	<input type="checkbox"/>
26 to 35 years old	<input type="checkbox"/>	56 year old and above	<input type="checkbox"/>
36 to 45 years old	<input type="checkbox"/>		

3. Marital Status

Single	<input type="checkbox"/>	Married	<input type="checkbox"/>
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4. Race

Malay	<input type="checkbox"/>	Indian	<input type="checkbox"/>
Chinese	<input type="checkbox"/>	Others	<input type="checkbox"/>

5. Academic Qualification

SPM / STPM	<input type="checkbox"/>	Master	<input type="checkbox"/>
Certificate / Diploma	<input type="checkbox"/>	PhD	<input type="checkbox"/>
Degree	<input type="checkbox"/>	Others	<input type="checkbox"/>

6. Job Category

Non-Executive (Permanent)	<input type="checkbox"/>	Executive & Above (Permanent)	<input type="checkbox"/>
Non-Executive (Contract)	<input type="checkbox"/>	Executive & Above (Contract)	<input type="checkbox"/>

7. Division

Administration / HR / Legal	<input type="checkbox"/>	Marketing	<input type="checkbox"/>
Customer Relations	<input type="checkbox"/>	Procurement	<input type="checkbox"/>
Dealer & Development	<input type="checkbox"/>	Sales	<input type="checkbox"/>
Finance	<input type="checkbox"/>	Service Operations	<input type="checkbox"/>
Information Technology (IT)	<input type="checkbox"/>	Spare Parts	<input type="checkbox"/>

8. Length of Service

Below 2 years	<input type="checkbox"/>	6 to 8 years	<input type="checkbox"/>
3 to 5 years	<input type="checkbox"/>	More than 9 years	<input type="checkbox"/>

SECTION B
EMPLOYEE ENGAGEMENT

Please indicate (v) your level of agreement with each of the following statements at the most appropriate answer.

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

No.	Employee Engagement	1	2	3	4	5
1.	I fully understand what employee engagement is.					
2.	My opinions and ideas seem to matter at work.					
3.	I have opportunities to learn and grow in my job.					
4.	I am fully aware of my purpose and what is expected out of me.					
5.	I am comfortable sharing my opinions at work.					
6.	My manager values my talents and the contribution I make.					
7.	I am able to satisfy both my job and family responsibilities.					
8.	Overall, I am satisfied with my Company.					

SECTION C
REWARDS & RECOGNITION

Please indicate (v) your level of agreement with each of the following statements at the most appropriate answer.

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

No.	Rewards & Recognition	1	2	3	4	5
1.	The benefits offered here are fair and reasonable.					
2.	My salary is competitive with similar jobs I might find elsewhere.					
3.	I understand my benefit plan.					
4.	My benefits are comparable to those offered by other organizations.					
5.	I am satisfied with the recognition given by the Company.					
6.	I believe the Company rewards its employee fairly and accordingly.					
7.	My Supervisor gives me praise and recognition when I do a good job.					

SECTION D
CAREER DEVELOPEMENT

Please indicate (v) your level of agreement with each of the following statements at the most appropriate answer.

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

No.	Career Development	1	2	3	4	5
1.	I have adequate opportunities for professional growth in this organization.					
2.	I receive the training I need to do my job well.					
3.	My manager is actively interested in my professional development and advancement.					
4.	My manager encourages and supports my development.					
5.	I have a mentor at work.					
6.	I regularly receive recognition / praise for doing good job.					
7.	In the last six (6) months, my supervisor at work talked to me about my progress.					

SECTION E
WORK-LIFE BALANCE (FLEXIBLE WORKING HOURS)

Please indicate (v) your level of agreement with each of the following statements at the most appropriate answer.

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

No.	Flexible Working Arrangements (FWAs)	1	2	3	4	5
1.	FWHs allow me more time for family.					
2.	FWHs allow me more time for networking.					
3.	I am able to avoid traffic and the stresses of commuting during rush hours.					
4.	I am able to avoid interruption at the office and get work done later.					
5.	I am able to produce better quality work overall.					
6.	I can work during hours when I am most productive.					
7.	I have autonomy over my own time schedule.					

Thank you for your cooperation.
We appreciate your time to participate in this survey. Have a pleasant day ahead!



UUM

Universiti Utara Malaysia