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A STUDY ON FACTORS INFLUENCING EMPLOYEE ENGAGEMENT IN THE INSURANCE COMPANY

By
LIYANA BT AZIZ

Thesis Submitted to
Othman Yeop Abdullah Graduate School of Business,
Universiti Utara Malaysia,
in Partial Fulfilment of the Requirement for the
Master of Human Resource Management
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(Certification of Research Paper)

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(I, the undersigned, certified that)

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(Candidate for the degree of)

MASTER OF HUMAN RESOURCE MANAGEMENT

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(has presented his/her project paper of the following title)

A STUDY ON FACTORS INFLUENCING EMPLOYEE ENGAGEMENT IN
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Nama Penyelia : NORIZAN BINTI HAJI AZIZAN
(Name of Supervisor)

Tandatangan : .............................................................
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Tarikh : AUGUST 2017
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ABSTRACT

Employee Engagement is an important factor in achieving organizational and individual goals. In this study, organizational communication, job satisfaction and pay and benefits were treated as independent variables. While a dependent variable is employee engagement. This research aims to identify factors influencing employee engagement in an insurance company.

The research conducted using a survey method and distributed to the employees in the insurance company. A total of 103 questionnaires were distributed and collected. The data were analyzed using Statistical Package for Social Science (SPSS) Version 22.0. From the data analyzed, the results revealed that the three factors which are the organizational communication, job satisfaction and pay and benefits had a significant relationship to employee engagement of the respondents. The limitations of the present study and some suggestions for future research and to further to improve the employee engagement among the employees in the insurance company are highlighted and discussed.

Keywords: Employee Engagement, Organizational Communication, Job Satisfaction, Pay and benefits, insurance company.
ABSTRAK


Kajian yang dijalankan menggunakan kaedah tinjauan dan sejumlah 103 soal selidik telah diedarkan kepada pekerja di syarikat XY. Keputusan nya dianalisis dengan menggunakan Sistem Statistical Package for Social Science (SPSS) Versi 22.0 Dari data dianalisis, keputusan nya menunjukkan bahawa ketiga-tiga faktor yang merupakan komunikasi organisasi, kepuasan kerja dan gaji serta manfaat mempunyai hubungan yang signifikan dengan penglibatan pekerja responden. Batasan kajian dan beberapa cadangan untuk penyelidikan masa depan dan untuk meningkatkan lagi penglibatan pekerja di kalangan pekerja di syarikat insuran diserlahkan dan dibincangkan.

Kata Kunci: Penglibatan Pekerja, Komunikasi Organisasi, Kepuasan Kerja, Gaji dan Manfaat, syarikat insuran
ACKNOWLEDGEMENT

“In the name of Allah, Most Gracious, Most Merciful”

Praise to Allah Almighty, for the blessing and for giving me the ability and strength to start and complete this study and this research paper. It is undeniable that without His consent, I certainly could not accomplish this study. This research paper is a result of determination, continuous and persistent effort and support from many individuals.

First and foremost, I would like to express my greatest gratitude and deepest appreciation to my supervisor, Madam Norizan Haji Azizan for her guidance, ideas, patience and support that have been influential in the success of this research paper. Her advices and criticisms is very much appreciated, as it has helped me a lot in doing this research in a proper way. Under her guidance I successfully overcome many difficulties and learnt a lot.

I owe thanks to a very special person, my husband, Shamsulbahri Bin Omar for his continued and unfailing love, support and understanding during my journey of Master that made the completion of this thesis possible. He was always around at times I thought that it is impossible to continue, he helped me to keep things in perspective.

My thankfulness also goes to all my dearest family members, especially my father, Aziz Bin Mohd Zain for his encouragements, and other family members for their sacrifices, and never-ending supports.

Thank you for all the supports and May Allah bless all of you
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1.1 Introduction

This research focuses on the factors that influence employee engagement in the insurance company namely; organizational communication, job satisfaction and pay and benefits.

Markos and M. Sandhya (2010), the literatures indicate that employee engagement is closely linked with organizational performance outcomes. Companies with engaged employees have higher employee retention as a result of reduced turnover and reduced intention to leave the company, productivity, profitability, growth and customer satisfaction. Most researches emphasize merely the importance and positive impacts of employee engagement on the business outcomes, failing to provide the cost-benefit analysis for engagement decisions. In contrast, Markos and M. Sandhya revealed that companies with disengaged employees suffer from waste of effort and bleed talent, earn less commitment from the employees, face increased absenteeism and have less customer orientation, less productivity, and reduced operating margins and net profit margins.
The contents of the thesis is for internal user only
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Research Title:

“A Study on Factors Influencing Employee Engagement in the Insurance Company”

Dear Sir/Madam,

The purpose of the research is to identify the factors that influencing employee engagement in the insurance company. This questionnaire is prepared to complete the above research to fulfil the requirement of thesis.

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

Thank you for your time answering this questionnaire and your cooperation is highly appreciated. Please do not hesitate to contact me at +6012-2865213 should you need further clarification.

Please return the completed questionnaire at your earliest convenience.

Sincerely,

LIYANA BINTI AZIZ
Master of Human Resource Management
College of Business
SECTION A:

RESPONDENT BACKGROUND / LATAR BELAKANG RESPONDEN

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

Soalan di bawah adalah mengenai latar belakang anda. Sila tandakan (✓) di kotak yang berkenaan.

1. Gender / Jantina:
   - [ ] Male / Lelaki
   - [ ] Female / Perempuan

2. Age / Umur:
   - [ ] Below 25 years old / Bawah 25 tahun
   - [ ] 26 to 35 years old / 26 hingga 35 tahun
   - [ ] 36 to 45 years old / 36 hingga 45 tahun
   - [ ] 46 to 55 years old / 46 hingga 55 tahun
   - [ ] 56 years old and above / 56 tahun keatas

3. Academic Qualifications / Kejiwakan Akademik:
   - [ ] Secondary / Sekolah Menengah
   - [ ] Diploma / Diploma
   - [ ] Degree / Sarjana Muda
   - [ ] Master / Sarjana
   - [ ] PHD / Doktor Falsafah
   - [ ] Others / Lain-lain

4. Job Category / Kategori Jawatan:
   - [ ] Non-Executive / Bukan Eksekutif
   - [ ] Executive / Eksekutif
   - [ ] Management / Pengurusan

5. Nationality / Kewarganegaraan:
   - [ ] Malaysian / Warganegara
   - [ ] Non - Malaysian / Bukan Warganegara
6. Department / Jabatan:

- [ ] Administration / Pentadbiran
- [ ] Finance / Kewangan
- [ ] Facultative & Treaty / Fakultatif dan Treti
- [ ] Information Technology / Teknologi Meklumai
- [ ] Compliance / Komunikasi Korporat
- [ ] Accounts / Akaun
- [ ] Human Resource / Sumber Manusia

7. Length of Service / Tempoh Perkhidmatan:

- [ ] Below 2 years / kurang 2 tahun
- [ ] 3 to 5 years / 3 hingga 5 tahun
- [ ] 6 to 8 years / 6 hingga 8 tahun
- [ ] more than 9 years / lebih 9 tahun
SECTION B:
EMPLOYEE ENGAGEMENT/ PENGLIBATAN PEKERJA

Please indicate the extent of your agreement with the given statement in this section on a 5-point scale. Please circle the chosen number as your answer based on the following:
(Sila nyatakan talwp perselujuam anda dengan pernyataan yang diberikan dalam bahagian ini pada skala 5 mata. Sila bulatkan nombor yang dipilih sebagai jawapan anda berdasarkan perkara berikut):

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
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<tbody>
<tr>
<td>Strongly disagree / Sangattidakbersetuju</td>
<td>Disagree / Tidakbersetuju</td>
<td>Uncertain / Tidakpasti</td>
<td>Agree / Setuju</td>
<td>Strongly agree / Sangathersetuju</td>
</tr>
</tbody>
</table>

1. Time passes quickly when I perform my job.  
   *Masa berlalubegitupantasapabillasayamenjalankantugas*.
2. I often think about other things when performing my job.  
   *Saya selalumemikirkanlenlangperkara lain semasajenjalankantugas*.
3. I am rarely distracted when performing my job.  
   *Saya jarangtergangguapabillasajenjalankantugas*.
4. Performing my job is so absorbing that I forget about everything else.  
   *Saya terlaluasyikdengonkerjasayasehinggasayaterlupaperkara lain*.
5. My own feelings are affected by how well I perform my job.  
   *Perasaansayadipenganthiolehbagaimanasayamelaksanakantugassaya*.
6. I really put my heart into my job.  
   *Saya bekerjadengansepenuhhati*.
7. I get excited when I perform well in my job.  
   *Saya menjaditeruapbillasayadapatmelaksanakantugassayadenganbaik*.
8. I often feel emotionally detached from my job.  
   *Saya seringmerasakemosisayaterpisahdengantugasaya*.
9. I stay until the job is done.  
   *Saya akantunggusehinggakerjaseisesai*.
10. I exert a lot of energy performing my job.  
    *Saya menggunakanbanyaktenagasemusamelaksanakantugassaya*.
11. I take work home to do.  
    *Saya bawabalikkerjaterumah*.
12. I avoid working overtime whenever possible.  
   *Saya mengelakuntukbekerja lebih masa.*

13. I avoid working too hard.  
   *Saya mengelakbekerjaterlalukuat.*

### SECTION C: ORGANIZATIONAL COMMUNICATION/KOMUNIKASI ORGANISASI

Please indicate the extent of your agreement with the given statement on a 5-point scale. (Please circle your answer).

*Silanyaatakantahappersetujuanandadenganpernyataan yang diberikan pada skala 5 mata. (Silabulatkan jawapan anda).*

<table>
<thead>
<tr>
<th>Give Statement</th>
<th>Your Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. There is good communication between various departments of the company.</strong></td>
<td>1 2</td>
</tr>
<tr>
<td><em>Terdapat komunikasi yang baik antara pelbagai jabatan di dalam syarikat.</em></td>
<td></td>
</tr>
<tr>
<td><strong>2. I am kept well informed about what the company is doing.</strong></td>
<td>1 2</td>
</tr>
<tr>
<td><em>Saya sentiasa diberitahu tentang apa yang syarikat lakukan.</em></td>
<td></td>
</tr>
<tr>
<td><strong>3. The company does a job of keeping me informed about matters affecting me.</strong></td>
<td>1 2</td>
</tr>
<tr>
<td><em>Syarikat melakukanugas dengan baik dan memaklumkan perkara yang melibatkan saya.</em></td>
<td></td>
</tr>
<tr>
<td><strong>4. I have the opportunity to contribute my views before changes are made which</strong></td>
<td>1 2</td>
</tr>
<tr>
<td><em>effect my job.</em></td>
<td></td>
</tr>
<tr>
<td><em>Saya mempunyai peluang untuk menyumbang pandangan saya sebelum perubahan itu dibuat</em></td>
<td></td>
</tr>
<tr>
<td><em>yang akan memberikan kesan kepada perajab.</em></td>
<td></td>
</tr>
<tr>
<td><strong>5. I am able to speak up and challenge the way things are done at the company.</strong></td>
<td>1 2</td>
</tr>
<tr>
<td><em>Saya dibenarkan untuk bersuara dan melakukansesuatu yang mencabar perkara perkara yang dilakukan di dalam syarikat.</em></td>
<td></td>
</tr>
</tbody>
</table>
SECTION D:  
JOB SATISFACTION/ KEPUASAN KERJA

Please indicate the extent of your agreement with the given statement on a 5-point scale.  
(Please circle your answer).

_Sila11yataka111ahcppersetujucma11dadenganpernyataa11 yang diberikanpeelukseskala 5 mata.  
(Silabulatkanjawapananda).

<table>
<thead>
<tr>
<th>Give Statement</th>
<th>Your Responses</th>
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<tbody>
<tr>
<td><em>Beri Kenyataan</em></td>
<td><em>Jawapan Anda</em></td>
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<th>2</th>
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<tbody>
<tr>
<td>1. I am satisfied with the work of my job. <em>Saya berpuashatidenganhasilkerjasaya.</em></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. I am satisfied with my co-workers. <em>Saya berpuashatidenganrakankerjasaya.</em></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. I am satisfied with my supervision. <em>Saya berpuashatidenganpenyeliaan yang diberi.</em></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>4. I am satisfied with my pay. <em>Saya berpuashatidengangajisaya.</em></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. I am satisfied with the promotional opportunities. <em>Saya berpuashatidenangpeluangkenaikanpangkat yang diberi.</em></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### SECTION E: PAY AND BENEFITS/ GAJI DAN FAEDAH

Please indicate the extent of your agreement with the given statement on a 5-point scale.
(Silakan tukar persepsi anda terhadap pernyataan di bawah ini dengan skala 1 hingga 5.

<table>
<thead>
<tr>
<th>Give Statement</th>
<th>Your Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Beri Kenyataan</strong></td>
<td><strong>Jawapan Anda</strong></td>
</tr>
</tbody>
</table>

1. The pay offered by this organization is good compared to other organizations.
   
   Gaji yang ditawarkan oleh organisasi ini adalah baik berbanding dengan organisasi lain.

2. The pay I receive commensurate the work I do.
   
   Gaji yang saya terima setimpal dengan kerja yang saya lakukan.

3. The main reason I stay in this organization is because of the pay.
   
   Sebab utama saya masih berada dalam organisasi ini adalah kerana gaji.

4. The pay I receive is adequate to cover my expenditure.
   
   Gaji yang saya peroleh mencukupi untuk pengeluaran saya.

5. I am satisfied with my total benefits package (holiday entitlement, leisure and facilities)
   
   Saya puas hati dengan pakej faedah (kelayakan cuti, riadah dan kemudahan yang lain)

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