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**FACTORS INFLUENCING EMPLOYEE ENGAGEMENT:
A CASE STUDY IN XY BANK BERHAD**

By

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UUM
Universiti Utara Malaysia

**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**



Othman Yeop Abdullah
Graduate School of Business

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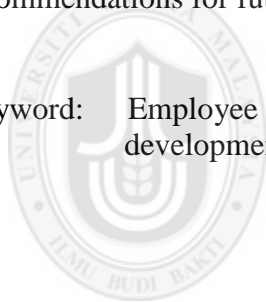
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ABSTRACT

The primary aim of this quantitative research is to examine the factors that influence employee engagement in XY Bank Berhad. Almost all of the industries have given proper space to employee engagement but banking industry has started to focus on this aspect with greater emphasis as the turnover rate of employees is comparatively high in this industry. So it is a matter of interest for conducting this research because of the employee engagement is an absolute essential factor determines sustainability and success of the company. It is owing to the fact that it much relies on its main asset: The employee. A total of 148 respondents from XY Bank Berhad participated in this study and data was gathered using structured questionnaires and analyzed using Statistical Package for Social Science (SPSS) version 21.0. Throughout the statistical analysis – correlation analysis, it is found that there is a positive significant relationship between the three independent variables namely employee communication, employee development and rewards and recognition with the dependent variable, employee engagement. Among all three independent variables, employee development is found to be the most independent variable in influencing the employee engagement in XY Bank Berhad. Based on findings of the study, the theoretical and possibility implication are discussed. Limitations and recommendations for future research are also underlined.

Keyword: Employee engagement, employee communication, employee development, rewards and recognition, banking industry.



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ABSTRAK

Tujuan utama penyelidikan kuantitatif ini dijalankan adalah untuk mengenalpasti faktor-faktor yang mempengaruhi penglibatan pekerja di XY Bank Berhad. Kebanyakan industri telah memberikan ruang yang setimpal kepada penglibatan pekerja tetapi industri perbankan telah memberikan fokus dan penekanan yang lebih tinggi terhadap penglibatan pekerja kerana kadar pusing ganti pekerja adalah lebih tinggi di dalam industri ini. Oleh yang demikian, kajian ini dijalankan kerana penglibatan pekerja didapati merupakan faktor yang penting dalam menentukan kemampuan dan kejayaan sesebuah organisasi, kerana ianya banyak bergantung kepada aset utamanya iaitu pekerja. Seramai 148 responden daripada XY Bank Berhad telah mengambil bahagian di dalam kajian ini dan data diperolehi menggunakan soal selidik berstruktur dan dianalisa menggunakan “Statistical Package for Social Science” (SPSS) versi 21.0. Melalui analisis statistik – analisis korelasi, didapati bahawa terdapat hubungan yang signifikan antara ketiga-tiga pembolehubah tidak bersandar iaitu komunikasi pekerja, pembangunan pekerja dan ganjaran dan pengiktirafan dengan pembolehubah bersandar iaitu penglibatan pekerja. Antara ketiga-tiga pembolehubah tidak bersandar, pembangunan pekerja didapati pembolehubah yang paling dominan dalam mempengaruhi penglibatan pekerja keseluruhannya di XY Bank Berhad. Berdasarkan hasil kajian, teori dan implikasi yang mungkin akan berlaku telah dibincangkan. Had dan cadangan untuk kajian akan datang juga digariskan.

Kata Kunci: Penglibatan pekerja, komunikasi pekerja, pembangunan pekerja, ganjaran dan pengiktirafan, industri perbankan.

ACKNOWLEDGEMENTS

In the name of Allah, the Most Gracious and the Most Merciful

Praise be to Allah for giving me the health, strength, patience and perseverance in completing this research paper. I do pray to His Greatness for inspire and enable me to finish this dissertation on the required time. Without His permission, for sure I cannot make it possible.

I wish a very special thanks to my supervisor, Puan Norizan binti Haji Azizan for her guidance from the beginning until the end of this research journey. I am indebted to her for her unfailing support, her academic rigour and her recommendations. Her constructive critiques have proven invaluable in refining my thesis. I am truly honoured and humbled to have had such a dedicated supervisor.

I am also grateful and thankful for the encouragement and never-ending support that I received from my immediate family members for the unconditional love in supporting my quest for knowledge has been extraordinary.

I would also like to express my gratitude to all staff of XY Bank Berhad at headquarter, for their involvement in this study. Without their sincere participation, this study will not be as successful as today.

I owe this accomplishment to my beloved colleagues and friends for their support and prayers.

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MALAYSIAN EMPLOYERS FEDERATION	MEF
HUMAN RESOURCE MANAGEMENT	HRM
THE GALLUP ORGANIZATION	GALLUP



CHAPTER 1

INTRODUCTION

1.1 Introduction

This study focuses on the exploration into the factors that influence employee engagement in XY Bank Berhad namely, employee communication, employee development and rewards and recognition.

This chapter comprises background of the study, problem statement, research questions, research objectives, significance of the study, scope and limitations of the study and the organization of the thesis.

1.2 Background of the Study

The growing level of uncertainty in the business environment requires organisations to continuously adapt to changes and accommodate different needs of the workforce. Organisations often compete and attempt to survive by lowering prices, cutting costs, redesigning business processes and downsizing the number of employees. Assuming that there is a limit to cutting costs and downsizing, new approaches to human resource management are inevitable for organisational survival and progress. Rather than focusing on reducing costs, the shift of the focus in human resource management is to build employee engagement.

As a result, published articles emphasise a more positive approach that focuses on the workforce, that is engaging employees rather than focusing on problem-coping strategies (Luthans & Avolio, 2009; Bakker & Schaufeli, 2008; Luthans & Youssef, 2007; Avey, Luthans, & Mhatre, 2008; Seligman, Steen, Park & Peterson, 2005).

Employee engagement is rightly viewed as a key aspect of productivity. It makes sense that the enthusiastic nature in which the fully engaged employees propagate within their work place each day would enhance the unity of the workplace and motivate the other employees. As a result, better ideas and innovations are produced by the employees for a prosperous organizational development. Many organizations have limited their hiring in recent years due to a slow economic recovery and an uncertain economic condition, making employee engagement a vital subject matter owing to the increasing number of workload for the current staff.

Keeping this in mind it is essential to understand the cultural and managerial aspects and the other factors that influence employee engagement as part of Human Resource's strategic role. Glaring differences between high level and low level of employee engagement among employees can be accessed through group project, highlighting the importance of employee engagement in an organisation.

Organizations are increasingly dealing with the different emerging needs and patterns of employees. Nowadays, retaining the excellent employees has become crucial as much as recruiting a new bunch of talents. One of the potential areas that

can address this issue is engagement among employees. Since the term was coined in the year 1990, engagement has gained its recognition among the academicians and practitioners because of the impacts it has on individual, teams and organizational level.

Researchers have identified the importance of initiating employee engagement and also ways to sustain its circumstantial impacts in the workplace. While research findings vary slightly, most of these studies share a generic conclusion. Engaged employees seem to be an important source of organisational competitiveness (Teng, Huang & Tsai,2007; Salanova & Schaufelli, 2008).

Employee engagement has emerged as critical driver for business success in today's competitive marketplace. Employee engagement is defined to the extent that an employee highly believes in the mission, purpose, and values of an organization. It is demonstrated through their committed actions and attitude as the employees of the company towards the employer and the customers (Stockley, 2007).

Kruse (2012) explained that 'workplace superheroes' are truly engaged and it does not just mean "happy" or "satisfied" but employee engagement is the emotional commitment an employee has, towards to the organization and its goals, resulting continuous discretionary effort. Kruse added that an employee's discretionary effort produces the Engagement-Profit chain. It is because they care more, they are more productive, give better service, and even stay in their jobs longer. All of that leads to happier customers, who buy more and refer more often, which increases sales and profits, finally produces an increment of stock price.

Over the course of 30 years, Gallup researchers indicate thousands of investigations of successful employees, managers and productive work groups have led to the development of their employee engagement model. Gallup works with organizations of all sizes in industries including banking, hospitality, healthcare, manufacturing, retail and more to create highly engaging and high-performing cultures. They offer enterprise wide solutions for large companies, as well as online access to the same powerful engagement tools for small to medium-sized businesses.

Quoted from Gallup web site (2017), companies with highly engaged workforces outperform their peers by 147% in earnings per share. It shows that how significant the engaged employees in the workforce nowadays. Besides that, Gallup study shows that on average, the ratio of actively engaged to disengaged employees in organizations was 1.83 to 1. This sounds like a small disparity that results in an estimated to cost more than USD 300 billion in lost productivity per year (Buckingham & Coffman, 1999). In year 2013, Gallup found that employee engagement program is a powerful evidence of the impact of employee engagement on the bottom line. In stark contrast, in world-class organizations- the premier organisations in their industries – the engagement ratio approaches 8 to 1, and sustainable practices have been built to reduce the negative impact of actively disengaged employees while unleashing the organisation's potential for rapid growth.

According to Bakker and Demerouti (2007), there are at least four reasons why engaged employees perform better than non-engaged employees. First, engaged employees often experience positive emotions: Happiness, joy and enthusiasm.

Second, engaged employees experience better health. Third, engaged employees create their own job resources and personal resources. Fourth, engaged employees transfer their engagement to others.

Research indicates that if employees are engaged with the company, their job satisfaction levels increase. Engaged and satisfied employees invested hugely in the success of the business and have a high level of commitment and loyalty. Satisfied employees play a key role in the organization, as ambassadors of the company. They promote and support the company's mission, strategy and brand.

Engaged employees are also often top performers, those committed to 'going the extra mile' to achieve business success. As an employee becomes more engaged, their absenteeism lowers and their motivation increases which lead to an increased productivity. This means that the more engaged the employee is the more efficient and driven to succeed they become. According to research conducted by the HayGroup (2001), it notified that 'the offices with engaged employees were as much as 43% more productive'.

Retaining good employees is a key to the success of every business. Employees, who are engaged, will significantly lower the risk of turnover for the company. As engaged employees are more invested in the success of the company, they also become more loyal. In other words, when employees are satisfied and engaged, they are far more likely to stay with the organization. Coupled with retention, businesses that have a highly engaged workforce have increased ability to attract new, qualified employees.

In addition, there is a close relationship between innovation and employee engagement. Engaged employees at a higher level, have passion and deep interest in their job, which often leads to innovation in the workplace. As highly engaged employees feel they have a real stake in the organization, they strive to efficiently create new products, services and processes. Collaboration in the workplace amongst engaged employees and top management also leads to overall organizational growth.

Organizations with more engaged employees tend to have higher profitability rates. When employees are engaged they become more productive and efficient, positively affecting the company's bottom line. A study by Wyatt Watson (2008) found that organizations that have highly engaged employees produce 26% higher revenue per employee. The equation makes perfect sense. The more engaged your employees are the more efficient and productive they become, lowering operating costs and increasing the profit margin.

According to Revine (2014), Gallup in its 2013 State of the American Workplace Report, revealed that those companies found in the top 25% of Gallup's Client Database, as measured by indices of employment engagement, have significantly higher productivity, profitability, and customer ratings, less turnover and absenteeism, and fewer safety incidents than those in the bottom 25%. They have also indicated that "engaged workers are the lifeblood of their organizations". These were more evident in the case of banking industry.

On the basis of the above report findings and previous studies on the factors that influencing employee engagement, so it is matter of interest for the researcher to identify three factors that are going to be tested in this research which are employee communication, employee development and rewards and recognition that influence employee engagement in XY Bank Berhad. Subsequently, the significant relationship between these independent variables and employee engagement will be further discussed in Chapter Four.

Malaysian Banking Industry

The Malaysian banking system is comprehensive, comprising commercial banks, investment banks, and Islamic banks. Besides this, there are non-banking financial intermediaries, comprising development financial institutions, provident and pension funds as well as insurance companies and Takaful operators, complementing the banking institutions in mobilising savings and meeting the financial needs of the economy. Quoted by Abu Bakar (2013), according to Yusof, Hussin, Alowi, Lim & Singh (1994), Malaysia has a rich history of banking sector reforms. The experienced gained from the 1997 – 1998 Asian financial crisis and the reforms undertaken thereafter have significantly strengthened the banking industry.

As time passed by, the development of banking sector has evolved with domestic banks and finance companies were merged into a smaller number of groups which provided a platform for a more efficient and competitive banking industry (Ang & McKibbin, 2007). Blueprint 2011 cemented Malaysia's leadership in Islamic finance to develop Malaysia as an international Islamic financial centre. An early adopter of sharia-compliant financial systems, Malaysia is now reaping the

benefits as it continues to consolidate its global lead in Islamic banking products. The sector has emerged as formidable force in providing funding to the Malaysian economy and beyond, creating additional high value at home and abroad.

In State of the Global Islamic Economy Report 2015/2016, Thomson Reuters (2016) ranked Malaysia as a world leader in Islamic finance development and the top global Islamic economy. The ranking was based on criteria such as level of governance, transparency, education, finance, corporate social responsibility and overall awareness. By the end of 2015, the sector had more than surpassed the government's original target of increasing Islamic banking sector's share to 20% of the total banking assets and establishing Kuala Lumpur as a centre for Islamic banking services. The Central Bank of Malaysia strict monitoring and control has ensured that the Malaysian banking industry, to a larger extent, is protected from the global financial crisis.

XY Bank Berhad is a wholly-owned subsidiary of ABB. Headquartered in the heart of Kuala Lumpur, XY Bank Berhad traces back to 1993 when it began its business as the Islamic banking arm of ABB. Twelve years later, XY Bank Berhad has its own direction where its Islamic Banking Division of ABB was incorporated as a separate entity and effective 1 April 2006, XY Bank Berhad operates as a standalone Islamic bank with an authorised and paid up capital of RM1 billion and RM160 million respectively.

In line with Malaysia's Financial Sector Masterplan that aspires to transform the country into a global hub for Islamic Financial Services, XY Bank Berhad

continuously conducts research and development into new financial products and services that are capable of competing in the global financial arena. As a pioneer in Islamic banking for both traditional Islamic consumer and business financing products, XY Bank Berhad also offers a wide array of consumer products and services to cater for the different needs of individual clients. Customers of XY Bank Berhad include government bodies, corporations, financial institution and both local and international investors.

1.3 Problem Statement

With the restructuring of the financial institutions and the focus on the new Islamic financial system, a committed workforce is considered necessary in assisting the development of the country. Thus, organization started to look into its people asset-internal employee so that they can utilize the human asset to sustain the competitiveness in the industry. In order to build a committed workforce, engaging employees are the key area that managers and organization should emphasize and look into. This is an area of XY Bank Berhad should also emphasize like other organization to ensure the level of engagement among employees are in the right place.

However, a survey conducted by a well-known human resource consulting organisation, Willis Tower Watson (2010) shows that only 28% of the Malaysian surveyed employees were engaged. The rest remained disengaged, disenchanted or only in the state of enrolment (i.e., only physically present) (Global Workforce

Study, 2010). Figure 1.1 tabulates the employee engagement clusters which consist of the results from the survey conducted by Willis Tower Watson.

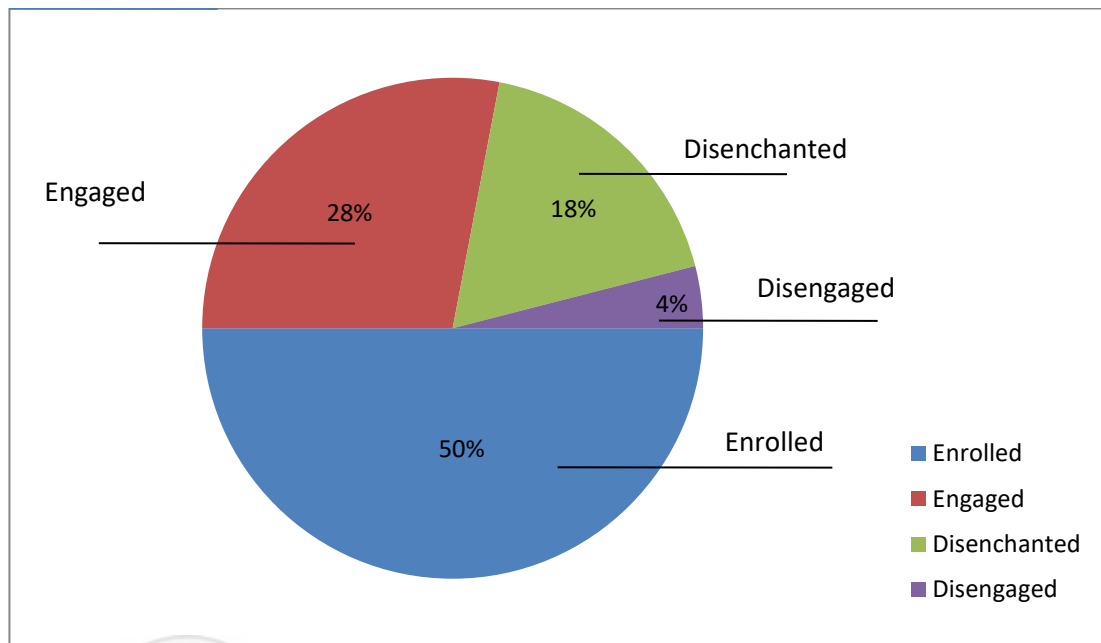


Figure 1.1
Employee Engagement Clusters

The question remains: what causes employees to be engaged or disengaged in the Malaysian context? Hence, the motivation for this research is to address these problems by identifying and understanding the factors that influence employee engagement in banking industry and fill the existing gaps in engagement literature.

Meanwhile, in 2014 Global Workforce Study, Willis Tower Watson conducted a survey to gain a perspective from employee and employer on the emerging trends and issues on engaging the global workplaces. Figure 1.2 has shown that the research explained that 40% of the employees from 32,000 respondents (four in 10 employees) were highly engaged while close to a quarter from the respondent (24%) was disengaged. The findings also showed that another 36% can be described as either unsupported or detached. A full 60% of employees

lack the elements required to be highly engaged. Given the low levels of highly engaged workers, it is essential for companies to understand the factors that drive sustainable engagement (Willis Tower Watson, 2014).

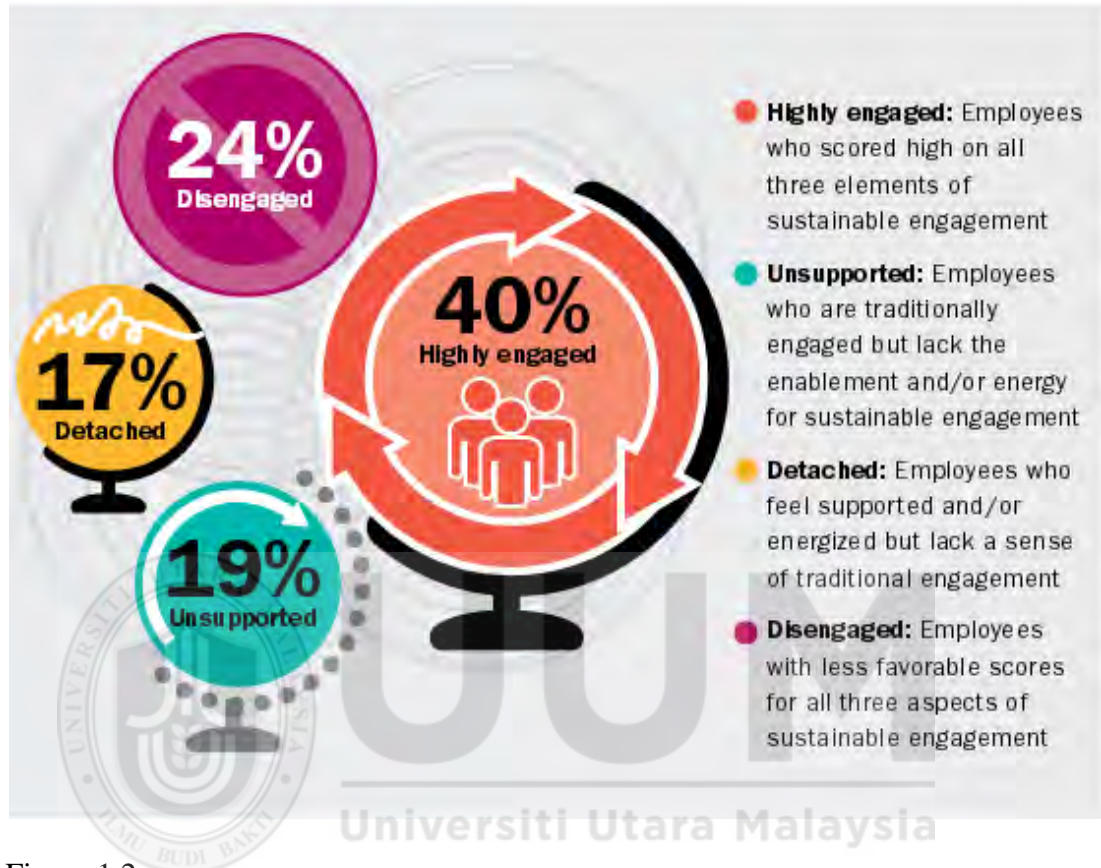


Figure 1.2
Employee Engagement Segments

The main reason of conducting an employee engagement survey is to find out the factors that actually drive employees to perform their best and engage with the organization. It is important in order to establish synchronization between what top management offers and what employees' expectation. The reason being, nowadays, leaders are keener in identifying what actually can engage or disengage employees. The organisations keep on conducting employee engagement surveys from time to time so that they can design and redesign the existing policies and implement key changes in order to increase the productivity and efficiency of employees. In addition, it will help them retaining the best talent within the organisation.

The contradictory term of engaged employee is disengaged employee. Employees who are not engaged tend to leave the organization in the expense of increment of absenteeism, increase training and recruitment costs and lead to low productivity. The researcher found that employee engagement has a relationship with turnover intention if the employees are disengaged with their job and organisation as well. This is supported by the 2003 Towers Perrin Report which had shown that 66% of highly engaged employees reported that they have no plans to leave compared to 36% of moderately engaged individuals and 12% of disengaged employees. Furthermore, 2% of highly engaged employees reported they are actively looking for another job compared to 8% of moderately engaged and 23% of disengaged employees (Towers Perrin, 2003).

Disengagement refers to a lack of enthusiasm and commitment to work or a workplace. Disengaged employees are less involved and more likely to leave their organization. As businesses compete not only for market share and the skilled professionals who can deliver it, employee engagement is arguably the most powerful force behind a company's growth. Successful leaders make active plans to confront employee disengagement with creative solutions. As what being said by Jim Harter, Gallup's Chief Scientist of Employee Engagement and Wellbeing, *"When you ask people about their intentions during a recession, it's pretty clear that disengaged workers are just waiting around to see what happens."* He added that, *"Engaged workers, though, have bought into what the organization is about and were trying to make a difference. This was why they were usually the most productive workers."*

Managers' alarm about their employees' disengagement at work are true, according to recent survey. Disengagement is a problem. A survey conducted by Gallup, revealed that only 31% of employees in the United States reported that they were engaged by their jobs in 2014. A full of 51% were still "not engaged" and 17.5% were "actively disengaged" (Gallup, 2014). Meanwhile, in the latest report released by Gallup in their State of the American Workplace research in February 2017, shows that 70% of U.S workers are not engaged at work. According to Gallup, the latest report provides insights into what leaders can do to improve employee engagement and performance in their organizations (Gallup, 2017).

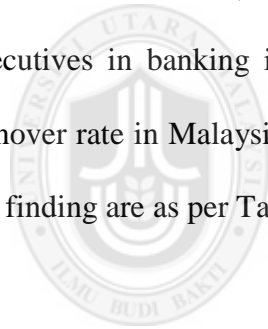
This was supported by past research conducted by Sia (2012) found that unsatisfied and disengaged employees with their existing job is one of the reason why employee turnover occurred, and they will start to search for other alternatives with their current jobs, and tendered the resignation from the organisations if they found another career opportunities greater than the existing position. Other researchers (Abassi & Hollman, 2000) found that the turnover issue can be said that is the top on the list which affected the productivity decline in the organisation.

Further to this, in the research conducted on predicting turnover intention in manufacturing industry, Othman and Mohd Shkuri (2015) found that employee turnover has become a serious management problem because of its financial and moral impacts on the organization's limited source. They added that organizations nowadays find it is difficult to sustain and retain talented employees and consequently lead to many employees retiring from the organization. Thus,

employee turnover greatly demands the management's attention and do whatever they can to retain and motivate the existing employees.

Besides that, with almost half (48%) of employers in the 2014 Towers Watson Global Talent Management and Rewards Research reporting that more than one-third (35%) indicating that turnover rose in 2013, it is critical to develop a clear perspective on what it takes to attract, retain and engage employees (Towers Watson, 2014).

On the other hand, a survey conducted by MEF known as MEF Salary Survey for Executives 2016, has also shown that average monthly turnover rate for executives in banking industry is 2.64% , placed the industry in third highest of turnover rate in Malaysia from July 2015 to June 2016 (MEF, 2016). The details of the finding are as per Table 1.1



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Table 1.1

Average Monthly Turnover Rate for Executives (July 2015 – June 2016) – by industry.

TYPES OF INDUSTRY		Average Monthly Turnover Rate of Executives (July 2015 - June 2016)				
		No. of Resp. Co.	Average	25%	50%	75%
Manufacturing	Basic & Fabricated Metallic Products	9	2.30%	0.42%	1.28%	3.33%
	Electrical/Electronics	21	1.54%	0.68%	1.04%	1.74%
	Food/Beverage	8	1.55%	1.04%	1.62%	1.94%
	Non-Metallic/Mineral/Cement Products/Mining	6	1.16%	0.45%	0.94%	1.30%
	Petroleum/Chemical	9	2.83%	0.47%	0.77%	5.13%
	Pharmaceutical/Toiletries Products	8	1.86%	1.05%	1.05%	1.41%
	Plastic/Rubber	7	2.06%	0.60%	1.19%	1.92%
	Printing/Publishing/Paper Products	4	1.07%	0.54%	1.16%	1.60%
	Transport/Parts Manufacturing/Machinery & Engineering	10	1.85%	0.73%	1.26%	1.65%
	Sub Total	82	1.83%	0.69%	1.16%	1.80%
Non Manufacturing	Business Services	7	3.12%	0.67%	0.69%	7.29%
	Diversified, Holdings & Investment/Banking/Insurance	10	2.64%	0.67%	1.07%	4.17%
	Education/Training	5	1.37%	0.76%	1.59%	1.83%
	Hotel/Restaurant/Entertainment	8	1.63%	0.71%	1.52%	1.53%
	IT/Communication	5	2.61%	0.67%	0.83%	2.62%
	Medical/Health Services	4	0.78%	0.52%	0.81%	1.05%
	Professional Services & Consultancy	20	2.45%	0.99%	1.54%	3.05%
	Property Development/Construction	12	1.63%	0.46%	0.66%	1.56%
	Transportation/Warehouse/Logistics/ Port Services	9	1.80%	0.67%	0.93%	1.62%
	Wholesale/Retail/Trading/Direct Selling	24	3.50%	1.07%	1.82%	2.43%
Sub Total	104	2.43%	0.69%	1.26%	2.25%	
TOTAL		186	2.17%	0.69%	1.19%	2.08%

Source: MEF Salary Survey for Executives 2016

Note (Average Monthly Turnover Rate):-

- i. The average monthly turnover rate of Executives for the period of July 2015 to July 2016 was higher at 2.17% compared to previous period of 1.62%.

- ii. For non manufacturing sector, the average monthly turnover rate was also higher at 2.43% as compared to 1.73% in July 2015 to June 2016.

According to a survey conducted by Towers Watson Malaysia, turnover rate across industries in Malaysia has increased from 12.3% in 2012 to 13.2% in 2013. The survey also reported that in 2013, manufacturing, conglomerates and banking industries were among the industries that experienced high employee turnover (Goh, 2012).

It is acknowledged that employee engagement is one of the key areas that organization needs to address and take precaution steps before it is too late. It is a sign that alarms the management and Human Resource Department to come up with strategies and programs that can cater for employee engagement needs. Employee engagement has become an important challenging task for the organisations in the recent few years. Almost all the industries have given proper space to employee engagement but banking industry has focused on this aspect with greater emphasis as the turnover rate of employees is comparatively high in this sector. So it is matter of interest for conducting a research on the determinants of employee engagement in banking industry.

Research after research has shown that an engaged workforce is considered desirable in any organization and leads to greater productivity and profitability. According to Vance (2006), employees who are engaged in their work, dedicated and committed to their organizations provide a higher competitive edge, which includes higher productivity and lower attrition. Stack (2009) wrote in employee engagement

article stated that studies have repeatedly demonstrated that employee engagement is a significant factor in the success of any organization, large or small. Simply put, the higher the percentage of employee engagement, the higher the employee productivity and the greater the corporate success.

From the above discussions, given the low levels of highly engaged employees, it is essential for companies to understand the factors that drive sustainable engagement among employees. Therefore, the main aim of this study is to identify the factors that might contribute to employee engagement in XY Bank Berhad which mainly focus on employee communication, employee development and rewards and recognition. It is hoped that through the examination of these three factors, more understanding on what contributes to employee engagement can be uncovered.

1.4 Research Questions

This research is conducted to find the relationship of the independent variables which are employee communication, employee development as well as rewards and recognitions with the dependent variable, employee development. In specific, it intends to answer the following research questions:

1. Does employee communication affect the extent of employee engagement in XY Bank Berhad?
2. Does employee development affect the extent of employee engagement in XY Bank Berhad?

3. Do rewards and recognition affect the extent of employee engagement in XY Bank Berhad?
4. Which among the three independent variables (employee communication, employee development and rewards and recognition) is the most important driver that influences employee engagement in XY Bank Berhad?

1.5 Research Objectives

Following are the research objectives according to the problem statement:

1. To examine the relationship between employee communication and employee engagement in XY Bank Berhad.
2. To examine the relationship between employee development and employee engagement in XY Bank Berhad.
3. To examine the relationship between rewards and recognition and employee engagement in XY Bank Berhad.
4. To identify which among the three independent variables is the most important factors relates to employee engagement in XY Bank Berhad.

1.6 Significance of the Study

At the end of the research, the findings may provide useful information to the body of knowledge on the factors that influencing employee engagement in the context of banking industry in Malaysia. It is specifically refers to the three factors selected in this study namely employee communication, employee development and rewards and recognition. It could strengthen the understanding and help to identify

the relationship between employee communication, employee development and rewards and recognition with employee engagement.

In term of organization, it will give an idea to the top management and Human Resource practitioners of the XY Bank Berhad on the level of engagement. It is also aimed to provide a comprehensive view about employee engagement and an understanding that employee engagement is the key dominator in any organization success. Managers and Human Resource professionals need to understand these and other healthy psychological theories to effectively shape their engagement efforts. It is also give better understand on the processes as well as employee's experiences with the process in affecting their level of engagement. The results of this study will also help to give specific recommendations to XY Bank Berhad specifically and other banking institutions as well as regarding which areas they need to pay more attention in order to improve their employees' engagement, and to create better work place. Organization wants to improve employee engagement because this tends to lead to a better staff performance, reduces staff turnover and improves the well-being of employees (Macey and Schneider, 2008).

This study expects to give a better insight into new ways towards organization performance and could contribute to the literature on the influence of employee communication, employee development, and rewards and recognition to employee engagement.

To scholar, the research will help them to conduct their research. This research also will provide them with guideline on how to start their research without

being had to start from scratch. This research may also help them to identify which area in this research that have to be studied more and find a gap in this research that can help them to stays in depth in that area. This will contribute to more deep understanding of the research and contribute to the body of the knowledge.

1.7 Scope and Limitations of the Study

The researcher realizes that there are some limitations and constraints during this study. The obvious limitation of the study is that the sample size was relatively small, with only 148 respondents able to complete the questionnaire. Therefore, this sample may have generated results that were not sufficient and representative to reflect the factor that influence employee's engagement. The first limitation is highly affected by the second limitation of this study, where the findings are based on the use of questionnaire survey data. This may be affected by response biases, where some of the items in the questionnaire unable to relate to some of the respondents.

There are limitations in the design of this study that might influence the interpretations and generalizations of these findings. In understanding the factors that influencing employee engagement, this research only examined three independent variables which were employee communication, employee development and rewards and recognition.

Given the findings and acknowledging the limitations of the present research, several areas of potential research exist. Since this research is only examined three

variables in influencing employee engagement, it is hope in future research, it may be worth examining other variables such as leadership, supervisor and co-worker support, organization's culture, quality of work life balance, job characteristics, job designing, job satisfaction, empowerment, performance management and healthy and safety that may influence the employee engagement, which were not considered in this study. There is also a need for future research to extend the investigation on employee engagement to different types of industries such as manufacturing, hotel, medical and health services, academic and so on so forth as the data provided in this research was from one type of industry and was located in a specific geographic location.

The researcher finds that, even though this study is covering on banking industry, however due to time constraint, it is only limited to a single case research organization i.e. XY Bank Berhad. Hence, it does not reflect the scenario of the whole banking industry. Further investigation in different organizations in the same industry shall be done to see whether there is any significant difference in the results.

1.8 Definition of Key Terms

1.8.1 Employee Engagement

Past researchers have defined employee engagement as:

- i. Psychologically present when performing an organizational role. Engaged employees are more likely to have a positive orientation toward the organization, feel an emotional connection to it, and be productive (Reio and Sanders, 2011)

- ii. the positive attitude held by employees or their commitment and involvement level towards the organization and its value (Sharmila, 2013).
- iii. engaged employees are more likely to remain with its current organization (Karatape and Olugbade,2009)

1.8.2 Employee Communication

Employee communication can support employee engagement by simply ask employee how they feel and this principle can be applied to one-on-one relationships to build trust and to foster personal relationships with one's employees. It can also be applied by organizations through the use well-designed communications tools and techniques. The key in any communication is to remain consistent, to make employee communication a regular routine, and to honestly respond to what one hears from employees (Bates, 2004).

1.8.3 Employee Development

Employee development is driver refers to the degree to which an employee feels that specific efforts are being made by their company or manager to develop the employee's skills (Baumruk, 2004). Through employee development program such as training, company can help new and current employees acquire the knowledge and skills they need to perform their jobs.

1.8.4 Rewards and Recognition

According to Vazirani (2005), employees perhaps considered promotion to a higher position associated with an increase in salary, as the best way by which an organization could recognize employees' accomplishments. In addition, she urges

that organization should have a proper pay system so that employees are motivated to work in the organization. In order to boost the engagement level of the employee, organization should be able to provide with certain benefits and compensation.

1.9 Organization of Thesis

This study is organized by chapters for better understanding about the systematic view of the factors that influence employee engagement. Chapter 1 consist of the background of the study, problem statement, research questions, research objectives, the significance of the research and scope and limitations of the research.

Chapter 2 will further discuss on the critical reviews of literature and theories related to the topic of the thesis. It is based on the previous literatures and journals conducted by previous researchers.

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

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

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



CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

Literature review is a search and evaluation of the available literature in the subject or chosen topic area. It will document the state of the art with respect to the subject or topic the researcher is writing about. This chapter also discusses the literature used by different scholars and sources, which have been used for building up the knowledge of the research to find the core theories for the theoretical framework.

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 independent variables namely employee communication, employee development, rewards and recognition and dependent variable, employee engagement.

2.2 Employee Engagement

According to Kokemuller (2010), employee engagement is the level to which employees feel motivated and involved in their workplace. Job responsibilities, work relationships and growth opportunities are among primary internal factors affecting

engagement. Kokemuller added that external factors that influencing engagement include social obligations, along with family and competing career opportunities.

Employee engagement is the extent to which employees put discretionary effort into their work, in the form of extra time, brain power and energy. The cognitive aspect of employee engagement concerns employees' beliefs about the organization, its leaders and working conditions. The emotional aspect concern shows how employees feel about each of those three factors and whether they have positive or negative attitudes toward the organization and its leaders. The physical aspect of employee engagement concerns the physical energies exerted by individuals to accomplish their roles. Based on the above description, engagement means to be psychologically as well as physical present when occupying and performing organizational role (Kahn, 1990).

While Wefald & Downey (2009) revealed that employee engagement is a relatively new concept in the academic community but has been heavily promoted by consulting companies. Scholars and practitioners in the human resource management field tend to agree that the fundamental concept of engagement may help explain behaviour at work, but they present different definitions of it.

Employee engagement is closely linked to Company revenue, employee performance, and trust in leadership, customer satisfaction and profitability. High engagement leads to employee success, and employee success leads to organization success. The key to achieving positive results through employee engagement is accomplished with three ways; they are commitment, measurement and

understanding through engagement survey and continuous improvement through engagement process and cycle.

Much research had indicated that there is a need for clarification and communication of organizational goals and objectives among all employees and they should be always kept informed and updated by the organization. Supporting this view, Towers Watson 2014 Global Workforce Research reported that one of the global top drivers for sustainable engagement is internal communication. This significant driver of employee engagement gives the opportunity to employees to have their voice heard and continuously be informed about what is going on in the organization. Communication also encompasses that employee receives feedback about their performance (Towers Watson, 2014).

Creating a learning culture and creating individual development plans for every employee can also enhance organization's workforce. In the Sustainability Report 2015/2016, Ford revealed that they invest continuously in the development of professional, technical and leadership skills of employees in order to achieve organizational mission; to create a learning organization where employees have a passion for learning, and leaders have the capability to continuously improve and transform the organization (Ford, 2015).

2.2.1 The Origins of Employee Engagement

Employee engagement has attracted interest from business and consultancies organization since the 1990's and began to attract academic attention in the second

half of the 2010s. The review differentiated between employee engagement from organizational commitment, and suggested that though both concepts note positive relationships between employees and their organizations, employee engagement is usually considered an antecedent or a component of commitment (Welch, 2011).

Most of the scholars have acknowledged that William Kahn can be considered as an academic parent of the employee engagement movement, as his work has been influential. Ologbo and Sofian (2012) had reported that Kahn (1990) was the first researcher to conceive that engagement means the psychological presence an employee when executing his organizational task. Kahn tried to discover the psychological circumstances essential to justify moment of individual engagements and individual disengagements amid employees in diverse conditions at work. He applied the observation techniques and interviews to accomplish a qualitative research of individual engagements and disengagements at work of 16 counsellors of a summer camp and 16 employees of an architectural firm. He established that individuals portray upon themselves to a changeable extent at the same time as executing job roles with the obligation of presence; cognitively, emotionally and physically in different tasks they carry out; noting that the employees could decide to retreat or disengage from their job roles and organizational tasks.

It is also acknowledged by Swathi.S (2013) and Krishnaveni and Monica (2016). Employee engagement was first conceptualized and defined by Kahn as ‘the harnessing of organizational members’ selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally

during role performances. He argued that three psychological engagement conditions are necessary for an employee to bring themselves into their work role performance. These determinants are: meaningfulness (work elements), safety (social elements, including management style, process and organisational norms) and availability (individual distractions).

Further to this, Bailey, Madden, Alfes, Fletcher, Robinson & Holmes (2015) noted that Kahn is widely acknowledged as being the first academic to research and write about engagement, which he referred to as 'personal engagement'. In his seminal article, Kahn claimed that personal engagement or disengagement arises when 'people bring in or leave out their personal selves during work-role performances'. Therefore, personally engaged workers are those who express themselves authentically at work in three ways: cognitively, emotionally and physically. This authentic expression of self-in-role is contrasted with disengagements, whereby the individual 'uncouples' his or her true self from his or her work role, and suppresses his or involvement. Since Kahn's original research, interest engagement has mushroomed, leading to the publication of significant numbers of publications, started especially since 2005.

The Practitioner Perspective

Past study scholars; Endres and Macheno-Smoak, 2008; Little and Little, 2006; noted that the decade is characterised by the beginnings of practitioner interest and the term employee engagement came into use, widely credited as being coined by consultancy firm Gallup on 1999. Further to this, Josh Bersin, in his article "It's Time to Rethink the 'Employee Engagement' Issue" (2014), stated that the concepts

of employee engagement have been in used for many years. He added that Gallup and other companies had initiated the concept of the engagement survey. The roots of these surveys started in the late 1800s when Fredrick Taylor, a pioneering industrial engineer, studied how people's attitude impacted their productivity in the steel industry. Josh further commented that there are hundreds of different survey providers, and most offer validated surveys and benchmarking tools to help the organization assess their employee's level of engagement.

According to Jamal (2011), Gallup is one of the organizations that pioneered in introducing the survey of employee engagement among organization. Gallup's approach has been more empirical, a questionnaire comprises of twelve questions are measure of attitudinal outcomes such as satisfaction, loyalty, pride, customer service and intent to stay with the organization. These items were chosen because they measure issues that are within the remit of a supervisor in charge of a given business unit.

The 12-questionnaire (Q¹²) instrument on employee engagement by Gallup has been further studied by Harter, Schmidt, Killham and Agrawal (2009), which concluded that the relationship between engagement and performance at the business/work unit level is substantial and highly generalizable across organizations. Employee engagement is related to each of nine different performance outcomes: Customer loyalty, profitability, productivity, turnover, safety incidents, absenteeism, shrinkage, patient safety incidents and quality. This indicates that practitioners can apply the Q¹² measure in a variety of situations with confidence that the measure captures important performance-related information. (Harter, Schmidt, Killham and

Agrawal (2009). According to Harter *et al.* (2009), the Q¹² and other instruments in measuring level of engagement in organization is vital which have been used to create changes, in fact, measure workplace dynamics that predict key outcomes; outcomes that a variety of organizational leaders would consider important. After all, organizational leaders are in the best position to create interest in and momentum for job satisfaction research.

Further to this research, Harter *et al.* (2009) revealed that how the founder of Q¹² instrument has finally come into decision to obtain the best set of questions after being refined and rephrased repeatedly besides additional analysis being conducted. Gallup had followed the iterative process in devising the survey tool that is subject of this report: Gallup's Q¹² instrument, which is designed to measure employee engagement conditions. They have defined employee engagement as a combination of cognitive and emotional antecedent variables in the workplace. This omit Kahn's (1990) behavioural element represented by his physical engagement component. In the 1990s, the iterative process continued.

2.2.2 Definition of Employee Engagement

According to Solomon and Sandhya (2010), to date, there is no single and generally accepted definition for the term employee engagement. Individual researchers and well-known research organizations in human resource area have defined employee engagement in their respective way.

William Kahn provided the first formal.

Bailey *et al.*, (2015) has explored the most widely used definitions and conceptualisations of engagement. They have categorized the definitions and operationalizations of engagement within the literature under six headings as follows:-

Table 2.1
Definitions of Employee Engagement

Reference	Definition
Personal Role Engagement	
Kahn (1990)	The authentic expression of one's preferred self at work.
Reio and Sanders (2011)	Engagement is being psychologically present when performing an organizational role. Engaged employees are more likely to have a positive orientation toward the organization, feel an emotional connection to it, and be productive.
Rich, Lepine, Crawford (2010)	Kahn noted that engagement is observed through the behavioural investment of personal physical, cognitive, and emotional energy into work roles. Put simply, engagement involves investing the 'hands, head and heart' (p. 619)
Soane, Truss, Alfes, Shantz, Gatenby (2012)	'Kahn (p. 531) presented engagement as a construct with three facets (physical, cognitive and emotional) that are activated simultaneously to create an engaged state'
Work Engagement	
Schaufeli, Salanova, Gonzalez-Roma, Bakker (2002)	A positive, fulfilling, work related state of mind that is characterized by vigor, dedication and absorption
Multidimensional Engagement	
Saks (2006)	At the core of the model are two types of employee engagement: job and organisation engagements. This follows from the conceptualisation of engagement as role related...that is, it reflects the extent to which an individual is psychologically present in a particular organisational role. The two most dominant roles for most organisational members are their work role and their role as a member of an organisation.
Selmer, Jonasson, Luring (2013)	'Engagement can be defined as a positive, fulfilling yet pervasive and persistent cognitive state of mind' (p. 97) Engagement was examined at the work group level.

Reference	Definition
Engagement as a Composite	
Swanberg, Mckechnie, Ojha, James (2011)	'Work engagement is a positive work-related psychological "state of fulfilment" that is characterized by vigor, dedication and absorption' (p. 614)
Engagement as Employment Relations Practice	
Arrowsmith and Parker (2013)	Unitarist human resources perspectives with an emphasis on acknowledgement and representation of employee interests
Jenkins and Delbridge (2013)	'Soft' engagement: a focus on promoting positive workplace conditions and relationships between managers and employees 'Hard' engagement: a focus on increasing employee productivity through engagement
Reissner and Pagan (2013)	Employee engagement with the organisation, in relationship with employee engagement and communication strategies
Self-engagement with performance	
Britt, Castro, Adler (2005)	'The construct of self-engagement was derived from the Triangle Model of Responsibility ... and is defined as individuals feeling a sense of responsibility for and commitment to a performance domain so that performance "matters" to the individual' (p. 1476)

Meanwhile according to Blessing White (2008); Macey and Schnieder (2008), job satisfaction is a part of engagement, however it can merely reflect a superficial, transactional relationship that is only as good as the organization's last round of perks and bonuses: Engagement is about passion and commitment: The willingness to invest oneself and expand one's discretionary effort to help the employer success. This is beyond a simple satisfaction with the employment arrangement or basic loyalty to the employer. Therefore, the full engagement equation is obtained by aligning maximum job contribution.

Devi (2009) and Scott and McMullen (2010) described that employee engagement is defined as an involvement, job satisfaction and commitment which employee's operational excellence to provide the better customer service.

In practitioner perspective, Gallup has defined engagement as the individual's involvement and satisfaction with enthusiasm for work ("Engaged Workers Index", 2009). Based on their national survey of U.S workers, Gallup has categorised that there are three types of employee:

- Engaged employees – work with passion and feel profound connection to their organization. They drive innovation and move the organization forward.
- Not engaged employees – employees are essentially checked out. They are sleepwalking through their workday, putting time but not energy or passion in their work.
- 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.

Besides Gallup, Towers Perrin has adopted an approach that relies on large survey databases. They defined employee engagement in terms of the preferred characteristics that engaged employees' exhibit, as distinct from the non-engaged employees, noting three key features of such engagement, which is divided into three sectors (Tower Perrin Global Workforce Research, 2008):

- Think sector – rational/cognitive understanding of the organization's strategic goals, values and their fit within it.

- Feel sector – emotional/affective attachment to the organization’s strategic goals, values and their fit within it.
- Act sector – the motivation/willingness to do more than the minimum effort in their role for the organization.

2.3 Drivers that Influence Employee Engagement

As reported by Gebauer (2007), from the Towers Perrin research, which has identified that it is the senior leadership – along with the reputation and culture of the organization, including learning and development opportunities, are the primary influencers of engagement and retention. Meanwhile, in Tower Watson’s Normative Database, Malaysia (2010), the research firm indicated that the drivers of employee engagement were leadership, career development, goals and objectives, strategy and direction, values, image, empowerment, pay and rewards, employment security and performance appraisal. Another research by Gallup found that employees who get the opportunity to continually develop are twice as likely to say they will spend their career with their present organization. In addition, in 2014 Trends in Global Employee Engagement reported by AON Hewitt found that millennial workers, those were born in 1980s, were engaged by career opportunities, communication, pay and reputation, and managing performance (AON Hewitt, 2014).

In addition, many researchers have identified factors that lead to employee engagement and developed models to draw the implications. Their researches aim to determine the drivers that will increase employee engagement level. According to Markos & Sandhyai (2010), it has several key components such as involvement in

decision making, the extent to which employees feel able to voice their ideas and managers listen to it and value employee's contribution, opportunities employees have to develop their jobs and the extent to which organization is concerned for employees' health and well-being.

The report by Penna demonstrated that meaning at work has the potential to be valuable way of bringing employers and employees closer together to the benefit of both where employees experience a sense of community, the space to be themselves and the opportunity to make a contribution: They find meaning. Employees want to work in the organizations in which they find meaning at work. Penna researchers have also come up with a new model they called "Hierarchy of engagement" which resembles Maslows's need hierarchy model. In the bottom line there are basic needs of pay and benefits. Once an employee is satisfied these needs, then the employee looks to development opportunities, the possibility for promotion. Leadership style will be introduced to the mix in the model. Finally, when all the above cited lower level of aspirations have been satisfied, the employee looks to an alignment of value-meaning, which is displayed by a true sense of connection, a common purpose and a shared sense of meaning at work (Spellman, 2007).

Vance (2006) explained the fact that employee engagement is inextricably linked with employer practices. To shed light on the ways in which employer practices affect job performance and engagement, he presented a job performance model. He added that employee engagement is the outcome of personal attributes such as knowledge, skills, abilities, temperament, attitudes and personality, organizational context which includes leadership, physical setting and social setting

and HR practices that directly affect the person, process and context components of job performance.

Most drivers that are found to lead to employee engagement are non-financial in their nature. Therefore, any organization who has committed leadership can achieve the desired level of engagement with less cost of doing it. This does not mean that managers should ignore the financial aspect of their employees. In fact, performance should be linked with rewards. Nevertheless, this is simply to repeat the old saying of Human Relations Movement which goes “as social being, human resource is not motivated by money alone.” As Buckingham and Coffman (2007) said, pay and benefits are equally important to every employee, good or bad. A company’s pay should at least be comparable to the market average. However, bringing pay and benefits package up to market levels, which is sensible first step, will not take a company very far: They are like tickets to the ballpark, - they can get the company into the game, but can’t help it win.

2.4 Importance of Engagement

Managers want to increase employee engagement because this tends to lead to staff performance, reduce staff turnover and improves the well-being of employees (Macey and Schneider, 2008). Despite this fact, relatively little academic research has been conducted in employee engagement. Based on Macey and Schneider (2008), measuring engagement is difficult as it involves assessing complex feelings and emotion. Engagement has been used to refer to psychological state: involvement, commitment, attachment, mood, performance construct (e.g. either

effort or observable behaviour, including pro-social and organisational citizenship behaviour (OCB)), disposition (e.g. positive affect), or some combination of the above (Macey and Schneider, 2008).

Table 2.2 below shows several findings revealed by established human resource consultancies, which give us a strong credence to the assumption that employee engagement actually causes an increase in a company's overall financial performance:

Table 2.2
Employee engagement findings from previous survey conducted by human resource consultancies

Findings	Consultancy	Year
Businesses with higher engagement have 9% shareholder returns.	Towers Watson	2009
Companies with the most effective employee communication have 47% higher shareholder returns over the last five years.	Towers Watson	2010
Engaged employees outperform disengaged employees by 20-28%	The Conference Board	2006
Organizations with engaged employees showed a 19% increase in operating income over a 12-month period, compared to a 33% decrease in companies with disengaged employees.	Towers Perrin	2008
Employer understanding of the business strategy and how their work contributes to company performance is one of the top drivers of engagement.	The Conference Board	2006
80% of employees with a high degree of trust in management are committed to the organization, compared with 25% of employees with a low degree of trust.	Center for Creative Leadership	2009

In organizations with highly engaged employees the share prices rose by an average of 16 percent compared with an industry average of 6 percent.	Serota Consulting	2005
Highly engaged employees have less absence days – in average 3.5 days – compared to disengaged employees.	Gallup Germany	2011
A 5% increase in total employee engagement correlates to a 0.7% increase in operating margin.	Towers Perrin 2004 European Talent Survey: Reconnecting with Employees: Attracting, Retaining, and Engaging, (Towers Perrin)	2004
Organizations with highly engaged employees achieve twice the annual net income of organizations whose employees lag behind on engagement.	The Impact of Employee Engagement - Kenexa	2004

Source: (Torben, 2012)

Further to that, Vazirani (2005) has also outlined some of the advantage of engaged employees as following:

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

2.5 Employee Engagement and Organizational Performance

There is a very common question why organizations should spend money for employee engagement? The answer for this question is that employee engagement directly relates to the performance of business or organization. There are different studies on the relationship between organizational performance and employee engagement. Some researchers examine that there is a positive impact of employee engagement on organization performance included retention rate of employees, profitability, customer loyalty and safety. Researches also indicate that the more engaged employees are, the more likely their employer is to exceed the industry average in its revenue growth. Employee engagement is found to be higher in double-digit growth companies. Research also indicates that engagement is positively related to customer satisfaction (Ellis and Sorensen, 2007).

This is supported by a research conducted by Baumruk and Gorman (2006), stated that engaged employee consistently demonstrates three general behaviours which improve organizational performance:

- Say – the employee advocates for the organization to co-workers, and refers potential employees and customers
- Stay – the employee has an intense desire to be a member of the organization despite opportunities to work elsewhere
- Strive – the employee exerts extra time, effort and initiative to contribute to the success of business

(Baumruk and Gorman, 2006).

What will happen to an organization if its employees are disengaged? Employees who are not engaged are likely to be spinning: Wasting their effort and talent on tasks that may not matter much, settling: Certainly do not show full commitment, not dissatisfied enough to make a break and splitting: They are not sticking around for things to change in their organization. The employees also have far more misgivings about their organization in terms of performance measures such as customer satisfaction.

2.6 Employee Communication and Employee Engagement

Ryynanen, Pekkarinen and Salminen (2012) defined internal communication as an internal organizational process that provide and share information to create sense of community and trust among employees. It is important for the management and employees to build a culture transparency and therefore can engage employees in the priorities of the organization (Mishra, Boynton & Mishra, 2014).

Sarangi and Srivastava (2012) have studied the organizational and communication benefits and factors on facilitating employee engagement especially in the Indian private banks. This study was targeting the respondents of Indian private banks. By using the survey questionnaire method, 247 data were collected and tested by using multiple regressions. The result shows that there was a significant impact between organization communication and employee engagement.

In a study conducted by Karanges, Johnston, Beatson and Lings (2015), the scholars tend to examine the importance of the relationship between internal communication and employee engagement. This study was conducted by using online survey method with the target respondents of Australian organization employing over 50 staff. By using online survey, 200 data were collected and tested with linear regression analysis. The result showed a significant and positive relationship between internal communication and employee engagement.

A study conducted by Lee and Ok (2015) was aimed to provide theory-based empirical evidence on whether employee core self-evaluations and the psychological climate affect employee engagement. They targeted hotel line-employees and managers in the USA as their target respondents. An online survey was carried out and 394 data were collected and tested with hierarchical multiple regression analysis. The result shows that there was a positive relationship between psychological Climate (internal communication) and employee engagement.

In a study conducted by Abdul Aziz (2012), the researcher tend to examine and to better understand on the drivers influencing employee engagement in Newfield Exploration (Malaysia). Newfield Exploration is an independent crude oil and natural gas exploration and production company headquartered in The Woodlands, Houston Texas, USA. This research was conducted using structured questionnaire and 99 data were collected and tested with linear regression analysis. The result has shown a positive and strong coefficient value between employee communication and employee engagement. This finding is parallel to the research conducted by the CIPD (2005) survey, which reported that the two most important

drivers of employee engagement are having opportunities to feed upwards and feeling well-informed about what is happening in the organization.

2.7 Employee Development and Employee Engagement

As quoted by Williams (2013), employee development is driver refers to the degree to which an employee feels that specific efforts are being made by their company or manager to develop the employee's skills. Through employee development program such as training, organization can help employees obtain the knowledge and skills they need to perform their jobs accordingly.

According to Atieh AlQuabeh (2016), appropriate employee development program are required to get high engagement, because if an employee is not capable of performing a task he will not be motivated to do that which is the basic cause of employee disengagement. He added that training enhances the performance which helps employees in gaining high confidence for doing job and as a result employee engagement is achieved.

An individual development plan is a tool to assist employees in career and personal development. Its primary purpose is to help employees reach short and long-term career goals, as well as to improve job performance. In an article wrote by Karla(2016), she mentioned that becoming a company with a strong learning culture will transcend its role as a mere skill-building strategy and go on to become a valuable tool for employee engagement and retention. Here's how:

- An employee feels valued when you invest in his growth and development by providing him with a continuous stream on learning opportunities. Employee satisfaction translates into an increased loyalty to the company.
- An employee is motivated to learn, grow, and give his best when you support him along his career path. A motivated and passionate employee is more productive, which, in return, brings more rewards and recognition for him at the workplace.
- A well-designed, thoughtful, and relevant learning program is a powerful engagement tool by itself.
- Having in place a thriving learning culture draws top talent to your organization because of Millennial, in particular, want to grow in their careers in fast pace and want to see that they are making a difference. They are indeed keen and passionate for knowledge and new skills to pick up.
- By attracting people who also want to learn and grow as they climb the corporate ladder, an organization would create a workplace full of passionate individuals who inspire one another. A passionate workplace is a powerful motivation for staying in a company.

Further to this, Karla added that there was a clear positive link between having a learning culture in the workplace and high performance. Research by Bersin & Associates revealed the following statistics to support Karla's view:

- Employees in a learning culture are 37% more productive than their peers who do not value workplace learning.

- Cultivated learning culture in organisations would have 58% chances to likely have the skills in their talent pipeline to meet the changing marketplace needs.
- Cultivated learning organizations, are 32% more likely to be the first to market an innovation solution.
- They have 26% chances of having better track record in producing quality products and delivering stellar services.
- They are 34% more likely to respond faster to and satisfactorily address customer needs.

There are many benefits of a cultivated learning culture in an organization.

These include, but are not limited to:

- A highly skilled workforce that continuously learns and innovates is more productive and provides a definitive competitive advantage to the Company.
- Higher engagement and retention rates enable employees to grow with the organization and imbibe its work culture and values. This creates a pool of motivated employees whose own career goals are in line with the organization's overarching business objectives.
- Highly skilled employees are aware of the latest practices apply their knowledge to current projects and achieve more positive results.
- Companies with a strong learning culture foster employees who have high sense of personal worth. They work and held greater responsibility with great determination for every project to make it a success.

A study conducted by Jogi and Srivastava (2015) on selected private banks in Central Chhattisgarh, India reveals that employee development has significant positive impact on employee engagement in banking sector. The researchers have noted that organizations can enhance engagement in their workforce by creating a learning culture and creating individual development plans for every employee. Furthermore, many studies had shown that most employees want to keep their jobs inventive and interesting by acquiring new knowledge and skills and applying new approaches in their daily work life.

According to Shuck and Wollard (2010), researchers have also noted strong evidence of the positive relationship between learning opportunities and the development of employee's engagement has also been noted. In addition, Shuck and Rocco (2014) presented a number of strategies for enhancing employee engagement through workplace learning, organizational development and career development interventions. The authors posited that individual employee development and management training programs can further enhance engagement among employees.

2.8 Rewards & Recognition and Employee Engagement

According to Armstrong (2009), rewards can comprise of financial extrinsic rewards such as pay, bonuses, and other financial rewards. It is given to employees non-financially: Extra holiday, voucher schemes element or combination of both the financial and non-financial which can also be given partially or completely as total rewards. Rewards system has a great influence and effect on employee engagement

and commitments. Besides, it makes staff to be more motivated, excited, interested and ready to positively identify with the organization strategies, goals and objectives.

In a research conducted by Hassan, Hassan and Shoaib (2014) aimed to examine the effect of psychological empowerment, perceived organizational support and rewards and recognition system on employee satisfaction via the mediation of employee engagement. Data was collected from 200 employees in five big banks of Pakistan by using questionnaire survey. Correlation and regression analysis were conducted and the result indicates there is a significantly positive relationship among rewards and recognition system and employee engagement.

According to Ram and Prabhakar (2011) aimed to identify the antecedents and effects of employee engagement in Jordanian industry. The data was collected by using the research instrument and 310 respondents from Jordanian hotel participated in the interview. The sample included of employees from various levels of management. Pearson correlation coefficient was conducted and the result indicated a strong positive correlation between extrinsic employee engagement and rewards and recognition.

Khan and Altaf (2015) examined the impact of important extent of employee engagement from organizations in Pakistan. Their data was collected from 125 respondents from the major organization working in Pakistan by using through questionnaires. Regression analysis was used and the result indicates there was significant relationship among rewards and recognition and employee engagement.

2.9 Conclusion

This chapter has identified literatures pertaining to various studies on employee engagement. There are many factors contributing to employee engagement but for this purpose of this research, the researcher will only focus on three factors only namely, employee communication, employee development and rewards and recognition. These independent variables are seen to be more suitable on the population selected. Meanwhile, the dependant variable was identified as employee engagement.



CHAPTER 3

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the overall research designed employed in the study, covering both methodological as well as practical considerations in obtaining, analysing 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. In addition, the purpose of this chapter is to provide a detailed overview of the methodological selected in order to answer the research question, and to justify this selection. This chapter outlines the following sections: research framework, research design, sources of data, unit of analysis, population frame, sampling technique, measurement of variables/instrumentation, collection and administration of data and data analysis technique. Critical evaluation of the research methods in terms of reliability and generalizability is also a part of the chapter.

3.2 Research Framework

Research framework is developed according to the research problem mentioned in this study with keeping in knowledge the past literature. The main purpose of this study is to examine a research framework that can enhance the understanding on the influence of individual factors (independent variables) on employee engagement (dependent variable) in XY Bank Berhad. It highlights the relationship of independent variables namely, employee communication, employee

development and rewards and recognition with the employee engagement as dependent variable. This would provide researchers both in academia and in the organizations with an idea of the influence and the relationship between independent variables and dependent variable.

Figure 3.1 depicts the research model for this research which demonstrates the concepts of factors that are going to be tested that influence employee engagement in XY Bank Berhad.

The individual factors of employee engagement are also known as the drivers of employee engagement. There are set of workplace features that, in combination are crucial to fostering high engagement. Thus, to drive employees in achieving high involvement and commitment to their job and organizational roles, it is crucial to identify the main individual factors that can motivate the employees to execute their functions effectively and efficiently.

3.2.1 Independent Variables

According to Cooper and Schinder (2008), the variable which is independent in the nature and previously researched by the researcher and subsequently causing an effect of dependent variable knows an independent variable. This study examined three (3) independent variables namely:-

- Employee communication
- Employee development
- Rewards and recognition

3.2.2 Dependent Variable

Cooper and Schinder (2008) stated that the variable which needs to be measured, observed or predicted by the researcher, expected by a manipulation of the independent variables known as dependent variable. Employee engagement has been chosen as the dependent variable in this study.

The model of the study has been depicted as the following figure:-

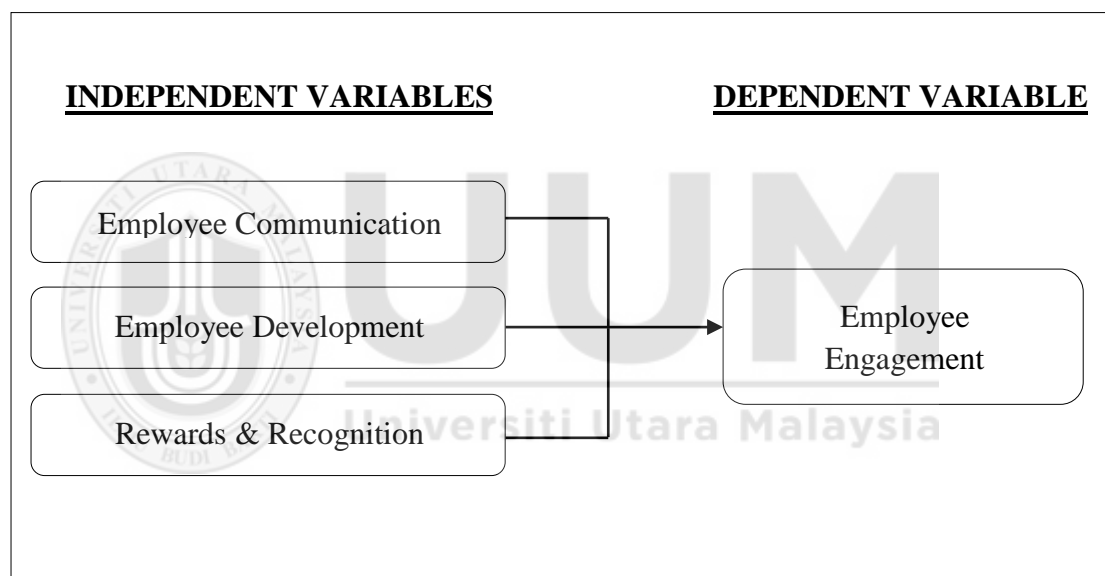


Figure 3.1
Research Framework

3.3 Research Design

According to Zikmund; Babin; Carr; and Griffin, (2010), research design details the procedures and methods that are used by researcher in order to collect and analyze the required information. Research design is also a structure that help researcher to plan the movements of the research project and assist in solving problems.

In addition, Malhotra (1999) described a research design as a framework or blue print for conducting the research. It specifies the details or the procedures necessary for obtaining the information needed to structure and to solve the research problem.

Quantitative research using questionnaire as survey method to gather data was used in this research. Quantitative research is a study where the findings of the research are generally from the statistical summary and analysis. Furthermore, quantitative techniques are used in this research for the purpose of data collection and data analysis. A structured questionnaire is used to help the researcher in data collection. The collected data from the distribution of questionnaires are then analyzed by the researcher and the results are then generalized to the entire population.

The main objective of this study is to identify the relationship of all the three of drivers of independent variables with the dependent variable of employee engagement in XY Bank Berhad. This is a correlational research according to its nature that includes independent variables, for example, employee communication, employee development and rewards and recognition. The independent variables might combine towards the employee engagement in XY Bank Berhad.

3.4 Sources of Data

Primary data and secondary data are used in this study.

3.4.1 Primary Data

According to Sekaran (2003), primary data is an information that first obtained by the researcher on the variables of interest for the specific purpose of study. To acquire the data, expert has disseminated an arrangement of surveys questionnaire to the employees of XY Bank Berhad. The objective of the questionnaire is to gain information on respondents and their level of engagement. Besides that, the information is also needed to understand the factors that influence employee engagement in banking industry.

3.4.2 Secondary Data

Secondary data refers to the information gathered by researcher who conducts the current study such as company record, publication, industry analysis offered by the media, web publications and others (Sekaran, 2003). It is less time consuming to obtain the secondary data as it is already prepared by other experts.

The secondary data is to get more information that could support the primary data. It strengthens the information and also assists the researcher to interpret the primary data correctly. At times, secondary data can also give an insight to the researcher on the subject matters from different perspective. For this study, the researcher gathered the secondary data from XY Bank Berhad's website, the annual reports, various articles and journals from previous studies, magazines and survey reports from local and international organizations i.e. Gallup, Watson Towers Perrin,

AON Hewitt, MEF and etc which are relevant and able to find research problem and support the literature review.

3.5 Operational Definition

This definition is referred only for this research purposes. There are:

Employees: Refer to all employees at headquarters of XY Bank Berhad in Kuala Lumpur. Total number of employees is 240. The employees are divided into two (2) job categories i.e:

- i. Supervisory level – Refer to executive, managerial and senior management staff.
- ii. Clerical level – Refer to non-executive staff

Employee communication: In this study, employee communication refers to communications and interactions among employees in XY Bank Berhad. Communication or information flows is normally upwards, backwards and sideways for instance, the management to employees, the employees to the management and among employees. Various communication channels have been used to communicate the information to the employees of XY Bank Berhad. This is to develop trust within an organisation and is shown to have significant impact on employee engagement, organisational culture and, ultimately, productivity. Examples of medium of communication are company's newsletter, internal memo, bulletin board, electronic mail, intranets, instant messaging system and electronic town hall meetings.

Employee development: In this study, employee development refers to a program designed by the organization to encourage employees to acquire new or advanced skills, knowledge, and view points, by providing learning and training facilities, and avenues where such new ideas can be applied. It is parallel to the research conducted by Wellins and Concelman (2005), XY Bank Berhad noted that organizations can enhance engagement in their workforce by creating a learning culture and creating individual development plans for every employee. XY Bank Berhad also provides career development action plan for the employees to address the personal and career development needs and interests.

Rewards and recognition: In this study, rewards refer to all of the monetary and non-monetary payments that XY Bank Berhad provides for its employees in exchange for the work they perform. XY Bank Berhad designs the rewards and recognition programs in order to include motivating high performance, reinforcing desired behaviours and creating a positive work environment.

3.6 Measurement of Variables / Instrumentation

Data has been collected through the distribution of questionnaire via hard and soft copy to the respondents. It is intended to identify the drivers that contribute to employee engagement in XY Bank Berhad.

A questionnaire is a pre-formulated written set of questions to which respondents record their answers, usually within rather closely defined alternatives.

There is an efficient data collection mechanism when the researcher knows exactly what is required and how to measure the variables of interest. Questionnaires can be administered personally, mailed to the respondents, or electronically distributed (Sekaran, 2003).

The main advantage of this method is 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 is also given the opportunity to introduce the research topic and to motivate the respondents to offer their honest answers. Questionnaire is used as it is less expensive and time consuming. It also does not require as much skill to administer a questionnaire.

According to Nnenna (2011), the disadvantage of questionnaire is the researcher can only obtain answers from the questions asked. The researcher does not have control over participant's interpretation, and there might be a low response rate and uncertainty about who actually have completed the questionnaire or have not. In addition, some organizations may be reluctant to allow researcher to utilize company time for the survey with groups of employees.

The advantages of sending questionnaires electronically among others were easy to administer, can reach globally, very inexpensive, fast delivery and respondents can answer at their convenience like the mail questionnaire.

3.6.1 Questionnaire Design

The questionnaire that used in the research consists of five (5) sections which are section A, B, C, D and E. The first section, Section A consists of the questions to gather the information about the profile of the respondents such as gender, age, marital status, race, academic qualifications, job category, department and length of service. Meanwhile in Section B, C, D and E, the respondents need to answer the questions which are based on independent and dependent variables. These sections allowed the relationship between independent and dependent variables.

Table 3.1
Design of questionnaire

Section	Variables	Number of Items	
Demographic Information			
A	<ul style="list-style-type: none"> • Gender • Age • Marital Status • Race • Academic Qualifications • Job Category • Department • Length of Service in XY Bank Berhad 	8	
	Dependent Variable		
	B	Employee Engagement	13
	Independent Variables		
	C	Employee Communication	7
	D	Employee Development	6
	E	Rewards and Recognition	6

Table 3.1 shows the questionnaire design of the research which consist the following:

Section A – Respondent Background

Section A consists of the questions to gather the information about the profile of the respondent such as gender, age, marital status, race, academic qualifications, job category, department and length of service with XY Bank Berhad.

The scale measurement used for this section was nominal scale. The nominal scale is the most basic and simplest level in measurement scales. The respondents are required to fill up the provided answer in questionnaire by circling or ticking the selected answer. However, the provided answers were not representing any ranking and quantities. Nominal scale also allows the researcher to design the questionnaire by assigning a value to a subject for identification and classification purpose for example name and gender (Zikmund *et al.*, 2010). Below is the example of the question that was available in this questionnaire:

Gender: Male Female

Section B – Employee Engagement

Section B measures the level of engagement with statements pertaining to employee engagement which is divided into cognitive engagement, emotional engagement and physical engagement, for example:

Cognitive Engagement statements:

- i. Time passes quickly when I perform my job
- ii. I often think about other things when performing my job
- iii. I am rarely distracted when performing my job
- iv. Performing my job is so absorbing that I forget about everything else

Emotional Engagement statements:

- i. My own feelings are affected by how well I perform my job
- ii. I really put my heart into my job
- iii. I get excited when I perform well in my job
- iv. I often feel emotionally detached from my job

Physical Engagement statements:

- i. I stay until the job is done
- ii. I exert a lot of energy performing my job
- iii. I take work home to do
- iv. I avoid working overtime whenever possible
- v. I avoid working too hard

Likert scale used for Section B, C, D and E. Likert scale is used in responses to various items that measure a variable can be tapped on 5 points scale which can thereafter be summated across the item. The scale below show the measure used in the Likert scale with score from 1 to 5 (Sekaran, 2003). Every score shown as follows:

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

Example:

Statement	Strongly disagree	Disagree	Uncertain	Agree	Strongly agree
Time passes quickly when I perform my job.	1	2	3	4	5

Section C – Employee Communication

The independent variable, employee communication comprises 7-items statements pertaining to the subject. Statements are ‘There is a good communication between various parts of the Company’, ‘My Company does a good job of communicating information to all employees’, ‘I am kept well informed about what the Company is doing’, ‘I am kept informed about reasons behind Company decisions’, ‘Information is shared in a timely manner from the Company’, ‘I am able to speak up and challenge the way things are done in the Company’, ‘Management encourages employee suggestions’.

Section D – Employee Development

This section comprises of 6-items statement with regards to employee development, such as ‘My employer encourages me to extend my abilities’, ‘This organization has provided me with training opportunities enabling me to extend my range of skills and abilities’, ‘I get the opportunity to discuss my training requirement with my employer’, ‘The training I have attended was useful and relevant to my job’, ‘Overall, staff developments have helped me to do my job more effectively’, ‘My Company does provide a good career development for me’.

Section E – Rewards & Recognition

Section E comprises of 6-items statement with regards to rewards and recognition, such as ‘My successes are recognized by my manager and co-workers’, ‘An outstanding performer will be recognized and rewarded by the Company’, ‘The pay and benefits in my organization are competitive compared to similar industry’, ‘In the last seven days, I did receive recognition or praise for doing good work’, ‘Job promotion in this organization is fair and objective’, ‘I am satisfied with the rewards and recognition that I received’.

According to the Table 3.2 below, it shows the summary of the sources of variable measurement used for this study. The questionnaire for this study is a combination of the questions which is adapted from the several authors or scholars in the previous study. There are 32 items which cover the 4 variables that has been used to achieve the objective of this study. All of the variables use 5 point likert scale as a variable of measurement.

Table 3.2
Summary of Sources of Researched Variables Measurement

Variable	Items	Scales	Sources
Employee Engagement	13	Five-point Likert scale	(Choo, 2009;Atieh AlQuabeh, 2016)
Employee Communication	7	Five-point Likert scale	(Choo, 2009; Atieh AlQuabeh, 2016)
Employee Development	6	Five-point Likert scale	(Choo, 2009)
Rewards & Recognition	6	Five-point Likert scale	(Choo, 2009; Atieh AlQuabeh, 2016)

3.7 Data Collection

3.7.1 Population and Sampling of the Study

According to Hair, Bush, Ortinau (2006), the definition of target population was a specified group of population which the researchers are concerned to collect data from them. For this research, the target population was all employees based at XY Bank Berhad in Kuala Lumpur as presented in Table 3.3 below.

Table 3.3
Total employees in XY Bank Berhad

Job Category	No. of Personnel
Supervisory staff	158
Clerical staff	82
Total	240

Source: Human Resource Department of XY Bank Berhad

In this research, target sample size (S) was determined according to the simplified decision model which was developed by Krejcie and Morgan (1970) as per Table 3.4.

Table 3.4
Determining of Sample Size (Krejcie & Morgan)

<i>Table for Determining Sample Size of a Known Population</i>									
N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	346
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	354
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	191	1200	291	6000	361
45	40	170	118	400	196	1300	297	7000	364
50	44	180	123	420	201	1400	302	8000	367
55	48	190	127	440	205	1500	306	9000	368
60	52	200	132	460	210	1600	310	10000	370
65	56	210	136	480	214	1700	313	15000	375
70	59	220	140	500	217	1800	317	20000	377
75	63	230	144	550	226	1900	320	30000	379
80	66	240	148	600	234	2000	322	40000	380
85	70	250	152	650	242	2200	327	50000	381
90	73	260	155	700	248	2400	331	75000	382
95	76	270	159	750	254	2600	335	1000000	384

Note: N is Population Size; S is Sample Size *Source: Krejcie & Morgan, 1970*

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The total population of employees at XY Bank Berhad is 240. Therefore, based on the recommended sample size (S) shown in Table 3.4, the total number of respondent for this research is 148. Thus, 148 questionnaires were prepared and distributed to the respondents.

3.7.2 Sampling Technique

This study used stratified random sampling procedure to select employees from supervisory and clerical level. The list of employees was obtained from the Human Resource Department. The completed list for employees for supervisory and

clerical level were combined and arranged in accordance to the names in alphabetical order to constitute the sampling frame.

Total population of this research was 240. Out of this number, 66% represented the supervisory level while 34% represented the clerical level. Out of 148 sample size, 98 respondents came from supervisory level while 50 respondents came from clerical level. Table 3.5 below illustrates the sample distribution of the population. Random numbers table used for the sake of randomization. Therefore, all employees had an equal chance of being selected to participate in this research. Besides that, randomization also can help to avoid any bias and in the same time to ensure the results of the research are reliable and could be generalized.

Table 3.5
Sample distribution

Job Category	Total Population (N)	Percentage of Population (%)	Proportional Sample (%)	Total of Sample (S)
Supervisory level	158	66	66% X 148	98
Clerical level	82	34	34% X 148	50
Total	240	100	100%	148

3.7.3 Data Collection Procedures

After determining the population and sampling size of the respondent, data was collected mainly from primary source. Structured questionnaire was used for primary data collection from the selected employees at XY Bank Berhad. Approval for data collection was obtained from the top management after a short discussion

highlighting the contribution of the study to the Company. Memos were sent out to the respective head of department explaining the purpose of the research. Head of department will randomly distribute the questionnaire to their staff based on the number that has been assigned by the researcher.

Total of 148 set of questionnaires were prepared and distributed to the selected respondents in XY Bank Berhad. The process of distribution started from 5 March 2017 until the collection period which was on 20 March 2017. Respondents were given approximately two (2) weeks time to complete the questionnaires and reverted back to the researcher. The targeted respondents have given a good feedback in answering the questionnaire. Hence, 100 percent questionnaires were collected.

Questionnaire distributed among respondents through hard copy. The questionnaire allows the response from the respondents in a standard way, unbiased approach and objective oriented. The use of questionnaire was also a simple and effective research tool besides enable the information to be presented in a numeric way (Zikmund *et al.*, 2010). Some of the advantages of using questionnaires were cost-effective, can be completed easily and faster.

For this research, respondents need to answer the question about personal attitudes and beliefs. Therefore, by using questionnaire, they can express their perception and feeling freely compared to using interview method. However, distribution of questionnaire has also several limitations such as lackadaisical attitude of respondents, non-attendance and lack of cooperation.

3.8 Techniques of Data Analysis

In this study, four (4) techniques of data analysis were used to analyze the data using Statistical Package for Social Sciences (SPSS) version 21.0. The data analysis techniques were descriptive statistics, reliability test, Pearson's correlation analysis and Multiple Regression analysis.

Descriptive statistics for examples are mean, percentages and standard deviation used to present the results that obtained from the respondents. It is further analyzed by performing reliability test to examine the reliability of the variables. Thirdly, in order to determine whether there are significant relationships among the independent variables and dependent variable, Pearson Correlation Coefficient analysis are carried out. Lastly, Multiple Regression Analysis is used to identify and determine the most dominant factor that impacts the dependent variable.

3.8.1 Descriptive Statistics

According to Zikmund *et al.*,(2010), descriptive analysis is the statistics that can portrays the information of a population or sample. On the other hands, Groenewald (2010) discussed that descriptive analysis is transforming the raw data into statistic that can easily to understand before reorganizing, interpreting, ordering and manipulating them into structured descriptive information.

In this study, the researcher used frequencies and percentages of tables and graphics for the sake of illustrate the descriptive statistics. Furthermore, the fields

that were tested in this research included gender, age, marital status, race, academic qualifications, job category, department, and length of service.

3.8.2 Reliability Analysis

The reliability analysis was conducted by using Cronbach's Alpha as a measurement of internal consistency. It is considered to be a measure of scale reliability. The reliability of a measure shows that the stability and consistency of the instrument in measuring a concept. Cronbach's Alpha is a reliability coefficient that indicates how well the items in a set are positively correlated to one another.

The Cronbach's Alpha analysis was used as it is the most acknowledged reliability test tools applied by social researcher. The closer the Alpha to 1 indicated the higher the internal consistency reliability (Sekaran, 2003). The requirements for acceptability of the reliability were used on the value of the Cronbach's Coefficient Alpha as recommended by Tabachnick & Fidell (2001) and Hair *et al.* (2010).

Table 3.6
Interpreting the Cronbach's Alpha value

Cronbach's Alpha Value	Degree of Reliability
More than 0.8	Good
In the range 0.7	Acceptable
Less than 0.6	Poor

From Table 3.6, the good degree of reliability shows by value of Cronbach's Alpha more than 0.8. The range of 0.7 is classified as good where the Cronbach's Alpha value less than 0.6 are considered poor.

3.8.3 Pearson's Correlation Analysis

According to Zikmund *et al.* (2010), Pearson's correlation analysis can describe the degree of a variable that related to others. Therefore, Pearson's correlation analysis can be used to determine the strength and direction of linear relationship between two variables.

The values from -1 to +1 indicate the Pearson correlation coefficient. When the Pearson correlation coefficient value shows +0.1, it shows that the variables are related to each other by increasing relationship. On the other hands, when the Pearson correlation coefficient value shows -0.1, it shows that the variables were related to each other by declining relationship. For non-related linear relationship, the Pearson correlation coefficient showed a zero value. For this case, it indicated that the variables were not linked by each other.

In this research, Pearson correlation analysis was used in order to examine the correlation between independent variables which were employee communication, employee development and rewards and recognition with the dependent variable, employee engagement.

The symbol of correlation coefficients can illustrate two things on the relationship which are the direction of the relationship and the magnitude of the relationship between two variables. The nearer the value to 1.00, the greater the likelihood of that relationship is statistically significant. The interpretation of the strength of the correlation is defined using the “Guilford Rule of Thumb” which proposed by Guildford (1973) as illustrated in Table 3.7 below:

Table 3.7

The interpretation of the strength of the correlation according to “Guilford’s Rule of Thumb”

Value of Pearson’s Correlation Coefficient Between Variables (r-value)	The interpretation of the strength of the correlation
0.00 – 0.30	Very low relationship
0.31 – 0.50	Low relationship
0.51 – 0.70	High relationship
0.71 – 1.00	Very high relationship

3.8.4 Multiple Regression Analysis

Multiple Regressions method is used to identify and specify the most dominant factor of independent variables that gives impact towards dependent variable. The most dominant dimension had shown the largest beta (β) value. Multiple Regressions can also be defined as a set of independent variables which describe the variance proportion in a dependent variable at a significant level hence set up the relative predictive importance of independent variables.

According to Garson (2010), the higher the value of the correlation, the closer the scores will fall to the regression line. After that, it would yield a more accurate

prediction. Associated with multiple regressions is multiple correlations (R^2), it means that the dependent variable's variance (%) can be explained by all of the independent variables.

Data would be collected on all the independent variables which were employee communication, employee development and rewards and recognition, while the dependent variable is employee engagement. This is to explore the most significant variables that affected employee engagement.

According to Sekaran (2003), the correlation coefficient, R , will indicate the strength of relationship between two variables and it will also show how much of the variance in the dependent variable will explain when several independent variables are theorized to simultaneously influence it. Besides that the square of multiple, R^2 is the amount of variance which will explain the dependent variable by the predictors and this is known as Multiple Regression. In the event of R^2 value, the F statistics and its significant level are known; the result can then be interpreted.

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

3.9 Conclusion

This chapter explains the methodology used to determine the relationship of the variables being evaluated in the study. It has drawn the instruments of the study, location of the study and selection of respondents.



CHAPTER 4

RESULTS AND DISCUSSION

4.1 Introduction

The objective of this chapter is to analyze, interpret and summarize the result for this study after the data has been collected. As mentioned before, SPSS version 21.0 software is used to analyze the analytical tool to interpret the research finding. There are several analysis involved in the chapter included descriptive analysis, reliability analysis test, Pearson's correlation analysis and multiple regression analysis.

In this chapter, the results of 148 sets of questionnaires were being analyzed. This chapter will state the quantitative research findings of the research examining the relationship between the independent variables namely employee communication, employee development and rewards and recognition at XY Bank Berhad. Frequency of respondents' answer in the questionnaire is found using descriptive analysis followed by the scale of measurements which provide the result of reliability analysis.

Furthermore, the last section in this chapter will involve with inferential analysis which included Pearson's correlation analysis and multiple regression analysis. Pearson's correlation analysis used to find the relationship between each dependent variable and the independent variables. While, multiple regressions used in this research to examine the relationship of independent variables on dependent

variable. In order to provide clearer information, tables and bar charts were used to present the result.

4.2 Response Rate

A total of 148 sets of questionnaires were distributed to respondents. All respondents had completed the questionnaires; therefore the percentage of response rate for this research is 100%. This means there were no unusable questionnaires nor were any questionnaires being discarded as shown in Table 4.1.

Table 4.1
Response Rate

	Total	Percentage (%)
Distributed questionnaires	148	100
Questionnaires collected	148	100
Unusable questionnaires	0	0
Discarded questionnaires	0	0
Uncollected questionnaires	0	0

4.3 Demographic Profile

Table 4.2 shows the distribution of the respondents according to their demographic background using frequency analysis.

Table 4.2
Demographic profile

Demographic	Categories	Frequency	Percentage (%)
Gender	Male	58	39.2
	Female	90	60.8
Age	Below 25years old	15	10.2
	26 to 35years old	49	33.1
	36 to 45years old	52	35.1
	46 to 55years old	29	19.6
	56 years old and above	3	2.00
Marital Status	Single	44	29.7
	Married	104	70.3
Race	Bumi	138	93.2
	Non-Bumi	10	6.80
Academic Qualifications	Secondary	50	33.8
	Diploma	11	7.40
	Degree	68	45.9
	Master	17	11.5
	PHD	2	1.40
Job Category	Supervisory	98	66.2
	Clerical	50	33.8
Department	Buss. Admin	11	7.40
	Finance	14	9.50
	Human Resource	12	8.10
	IT & Operations	7	4.70
	Consumer Financing	9	6.10
	Consumer Sales	12	8.10
	Hire Purchase	11	7.40
	Banking Services	7	4.70
	Remedial Management	9	6.10
	Product Development	11	7.40
	Business Banking	13	8.80
	Customer Service	14	9.50
	Shariah Supervisory	9	6.10
	Islamic Treasury	9	6.10

Length of Service			
	Below 2 years	15	10.1
	3 to 5 years	28	18.9
	6 to 8 years	26	17.6
	More than 9 years	79	53.4

4.3.1 Gender

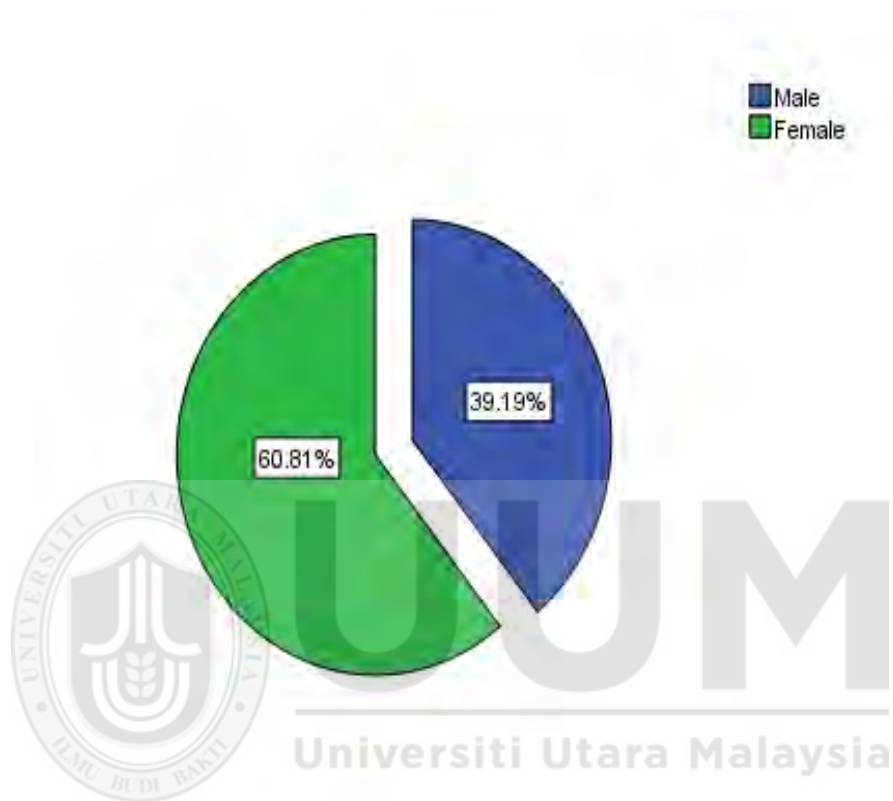


Figure 4.1
Statistics of respondents' gender

Figure 4.1 shows the statistics of respondents' gender. Female respondents consist of 60.8%, which means 90 of the total respondents while male respondents contribute 39.2% that was 58 of the total respondents. It shows that female respondents were higher than male respondents.

4.3.2 Age

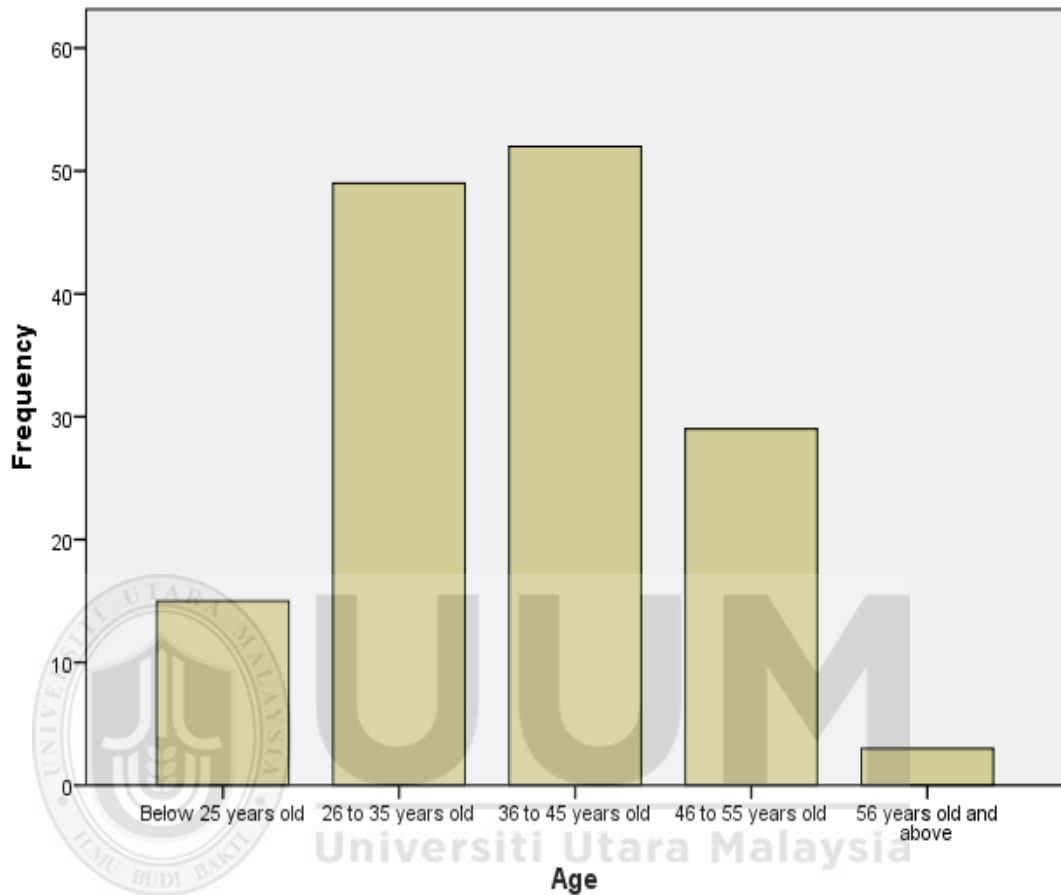


Figure 4.2
Statistics of respondents' age

The result illustrated in Figure 4.2 indicates that out of the total respondents surveyed, 35.1% of them were within the age range of 36 to 45 years old which consists of 52 respondents. This followed by 33.1% second largest age group of respondents within the age range of 26 to 35 years old consists of 49 respondents. 19.6% were found within the age range of 46 to 55 years old consists of 29 respondents. 10.2% were within the ages of below 25 years old and the remainder 2.00% were found within the age categories of 56 years old and above. It shows that respondents were higher within the age range of 36 to 35 years old.

4.3.3 Marital Status

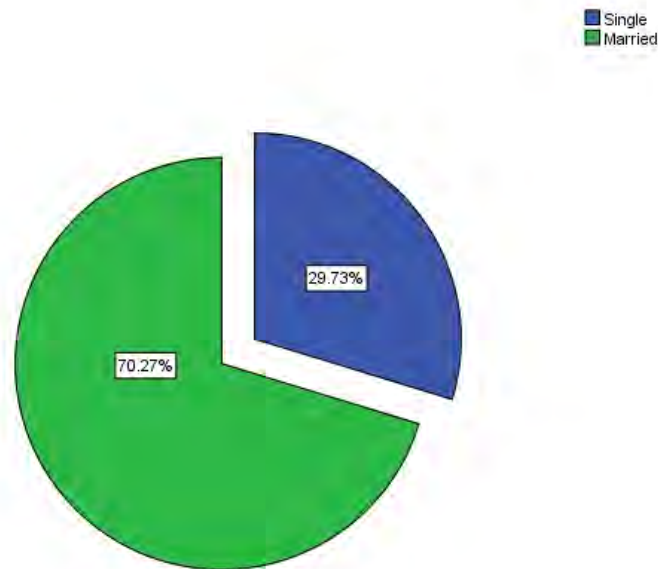


Figure 4.3
Statistics of respondents' marital status

Based on Figure 4.3, it shows that single respondents was more higher than married respondents with 29.70%, which means 44 of the total respondents while married respondents contribute 70.3% that was 104 of the total respondents.

4.3.4 Race

Figure 4.4 shows that there that were only 6.80% of non-bumi respondents participated in this research which consists of 10 respondents while the rest contributed to 93.20% of the respondents which consists of 138 respondents of bumi staff.

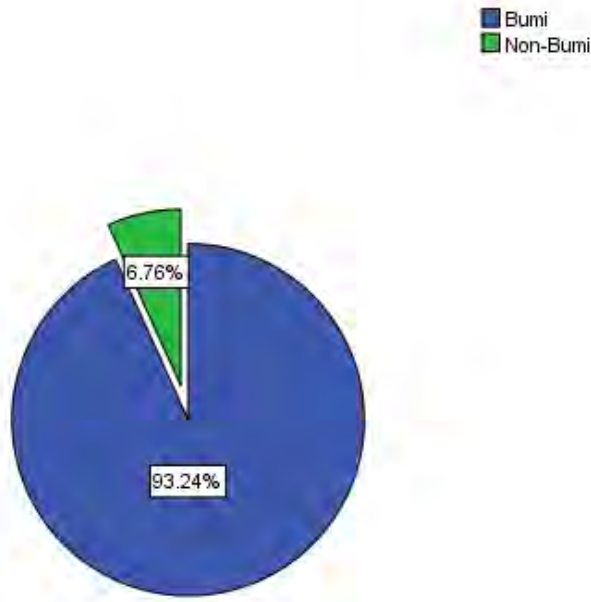


Figure 4.4
Statistics of respondents' race

4.3.5 Academic Qualifications

In term of academic qualifications, there were five levels of academic qualifications which were secondary school, Diploma, Bachelor's Degree, Master and Doctor of Philosophy (PhD). Table 4.5 indicates that there were 45.9% of the respondents which consists of 68 respondents were degree holder. It was followed by 33.8% of the respondents were from secondary school with 50 respondents in numbers and 11.5% of the respondents were master holders which represented 17 respondents out of 148. It was followed by 7.40% of the respondents who were diploma holder which represented 11 respondents out of 148 respondents and the remainder of 1.40% of the respondents were PhD holder.

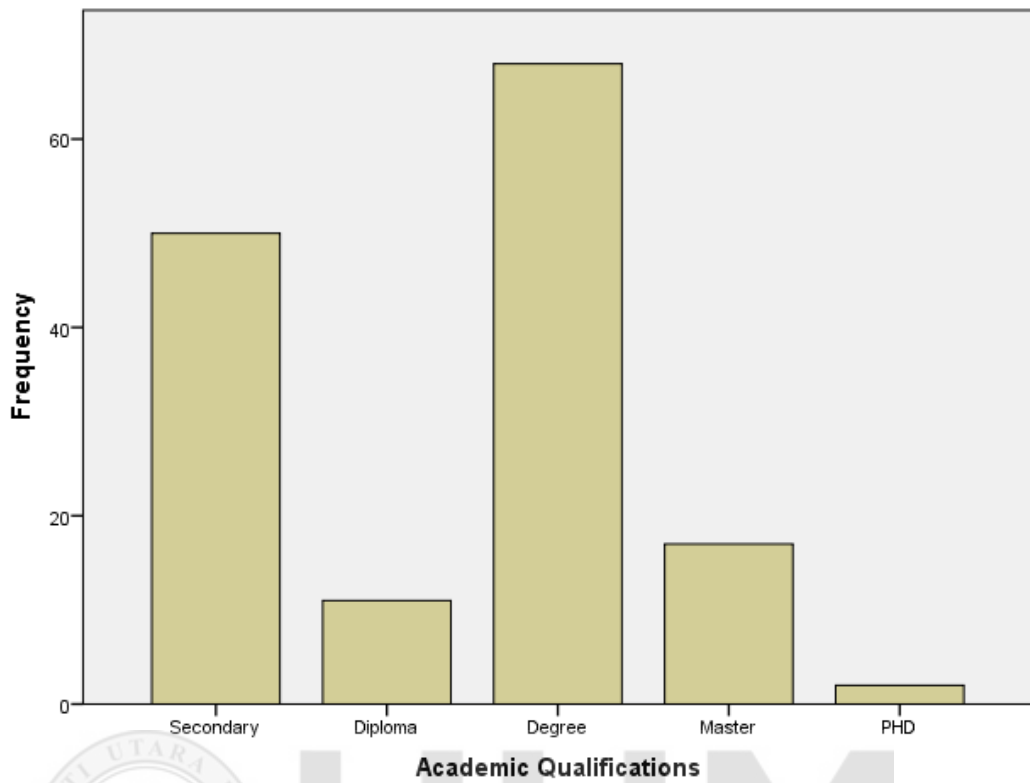


Figure 4.5
Statistics of respondents' academic qualifications

4.3.6 Job Category

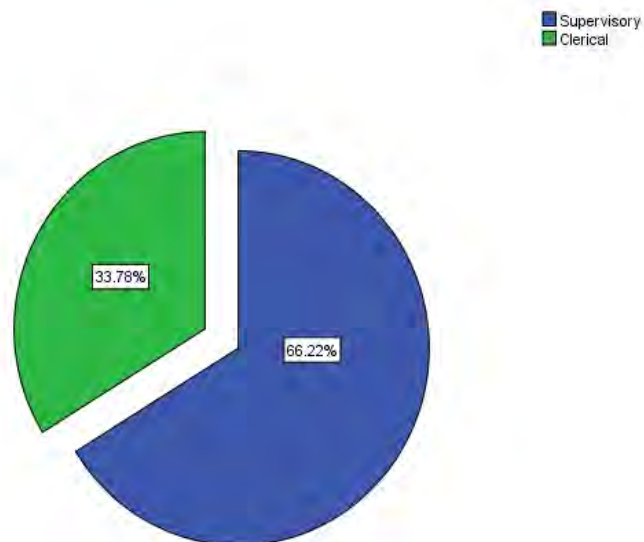


Figure 4.6
Statistics of respondent's job category

For job category, there were two levels of job category in XY Bank Berhad i.e supervisory and clerical level. The result as shown in Figure 4.6 indicates that respondents from supervisory level category were higher compared to clerical level with 66.2% representing 98 respondents in contrast of 33.8% representing of 50 respondents respectively.

4.3.7 Department

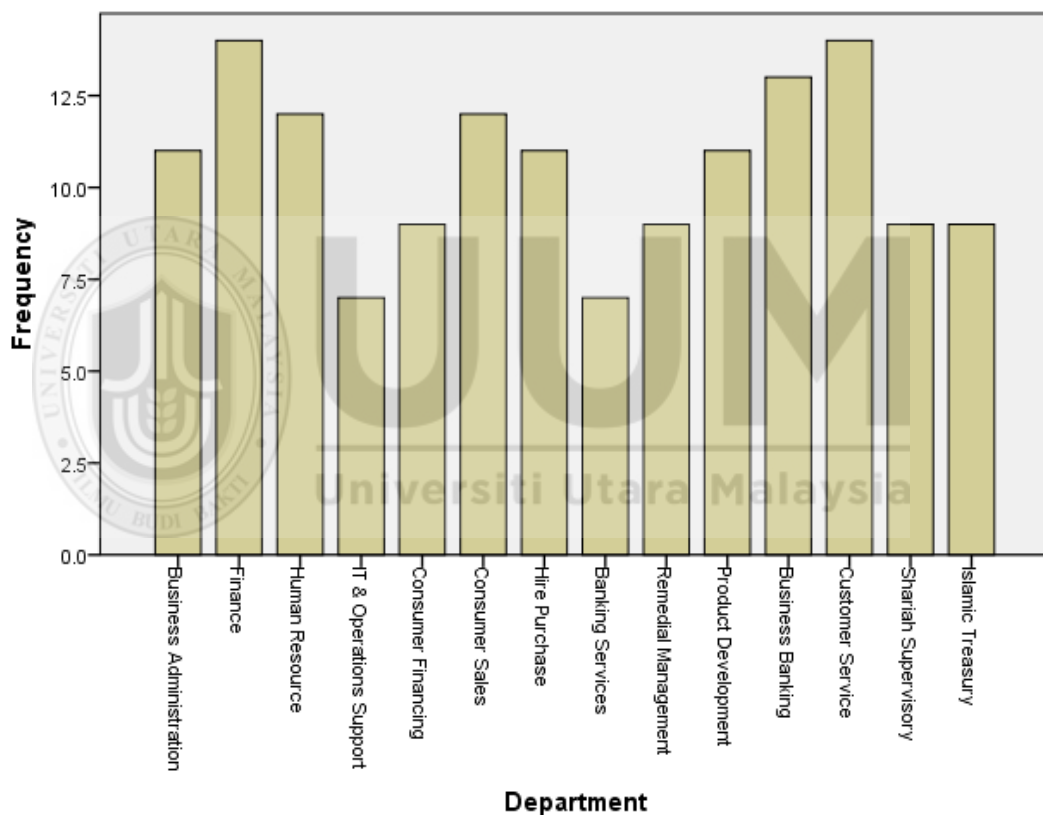


Figure 4.7
Statistics of respondent's department

In term of department, the result as shown in Figure 4.7, indicates that a few departments attained the same percentage on respondents' frequency. For example Finance Department and Customer Service Department account for 9.50% representing 14 respondents of the total survey. It was followed by 8.80% of the

respondents from Business Banking Department which consisted of 13 respondents. Human Resource and Consumer Sales Department were account for 8.10% that represented 12 respondents of the total survey. Besides that, Business Admin, Hire Purchase and Product Development attained with the same score, 7.40% which representing 11 respondents of the total survey. Furthermore, Consumer Financing, Remedial Management, Shariah Supervisory and Islamic Treasury Department were account for 6.10% representing 9 respondents of the total survey and the remainder of 4.70% were found from IT & Operations and Banking Services Department comprising 7 respondents each.

4.3.8 Length of Service

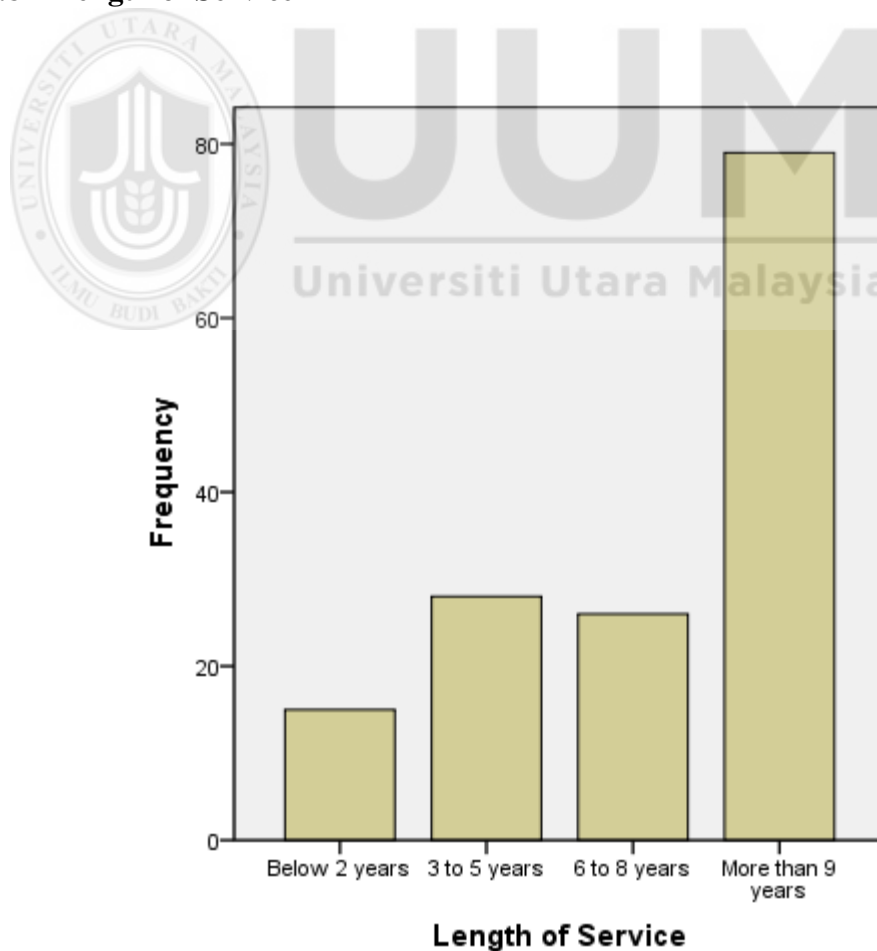


Figure 4.8
Statistics of respondent's department

Based on the result in Figure 4.8, the majority of the respondents have been employed in the organization for more than 9 years. This is evidenced in the fact that 53.4% fall within the category of more than 9 years working experience representing 79 respondents. Furthermore 18.9% had worked within the range of 3 to 5 years, 17.6% within the range 6 to 8 years of working experience and 10.1% within the range of below 2 years working experience.

4.4 Descriptive Analysis

Table 4.3:
Descriptive Statistics of the Dependent and Independent Variables

Variable	Min.	Max.	Mean	Standard Deviation
Employee Engagement	17.00	63.00	50.5135	9.71743
Employee Communication	11.00	35.00	25.0676	5.08253
Employee Development	8.00	30.00	22.8514	4.70253
Rewards & Recognition	6.00	30.00	20.3716	4.93120

N = 148

The above Table 4.3 gives details on the overall summary of the descriptive statistical analysis for all the three (3) drivers of independent variables (employee communication, employee development and rewards and recognitions) and employee engagement as the dependent variables. All variables are evaluated based on a 5-point scale.

Based of the results of this analysis, the mean of dependent variable employee engagement is 50.5135 while standard deviation is 9.71743. Meanwhile, the mean and standard deviation value for employee communication is 25.0676 and 5.08253 respectively. Further to this, the mean and standard deviation value for employee development is 22.8514 and 4.70253 while the value of mean and standard deviation for rewards and recognition attain with score 20.3716 and 4.93120 accordingly.

The central tendency of variables can be measured by mean or average which shows the general review of each variable. The standard deviation is also shown the dispersion in data scale of interval and ratio and also discuss about the variance in data.

4.5 Reliability Analysis

Reliability test is necessary to be conducted to indicate the extent to which it is without bias or error free hence to ensure the consistency of the measurement across time and various item included in the study. With the reliability test “goodness” of the measure is indicated. Cronbach’s Alpha is a reliability coefficient indicates how well the items are relatively related to each other. The closer the value to 1, the more reliable the items is (Sekaran, 2003). The specific Cronbach’s Alpha values for each variable are illustrated in Table 4.4.

Table 4.4
Reliability Analysis

Variables	No. Of Items	Cronbach's Alpha
Employee Engagement	13	0.935
Employee Communication	7	0.930
Employee Development	6	0.944
Rewards and Recognition	6	0.916

As discussed in Chapter 3 in Table 3.6 of Reliability Analysis, the acceptable point for measuring the reliability for the research as follows:-

Cronbach's Alpha Value	Degree of Reliability
More than 0.8	Good
In the range 0.7	Acceptable
Less than 0.6	Poor

Sources: Tabachnick & Fidell (2001) and Hair *et al.*, (2010)

Therefore, based on this rules, the result for reliability analysis was above the cut-off point. The above table shows the Cronbach's Alpha values for dependent variable (employee engagement) and independent variables (employee communication, employee development and rewards and recognition) are considered good.

The highest Cronbach's Alpha value was employee development which indicated 0.944, followed by employee communication which indicated 0.930 and rewards and recognition which indicated 0.916.

4.6 Pearson Correlation Coefficient Analysis

Pearson's correlation coefficient is used in this research as a method to measure the correlation. The result will indicate the strength, direction and significant of the bivariate relationship among all the variables that were measured (i.e. employee engagement, employee communication, employee development and rewards and recognition).

There could be a perfect positive correlation between two variables, which is represented by +1.0, or a perfect negative correlation which -1.0. The researches on social sciences suggested that the conventional accepted significance has $p=0.01$ value. This value represents 95% the researcher can be sure that there is a true or significant correlation between the two variables, and there is only a 5% chance that the relationship does not truly exist. The correlation matrix between dependent variable and independent variables for this research is demonstrated in Table 4.5 below.

Table 4.5
Correlation Analysis

	Employee Communication	Employee Development	Rewards & Recognition	Employee Engagement
Employee Communication	1			
Employee Development	.804**	1		
Rewards & Recognition	.766**	.728**	1	
Employee Engagement	.706**	.709**	.675**	1

** Correlation is significant at the 0.05 level (1-tailed)

4.6.1 Relationship between employee communication and employee engagement

Based on table 4.5, the Pearson's Correlation Coefficient value, $r = .706$ and $p < 0.05$ indicates that there was a significant positive relationship exist between employee communication and employee engagement in this study.

Note: As mentioned in Chapter 3, Table 3.6 shows that the interpretation of the strength of the correlation according to "Guilford's Rule of Thumb (1973)". The relationship is most probably significant if the result is closer to +1.00 or -1.00. The nearer the result is to 0, the higher chances that the relationship is not significant.

Table 3.6

The interpretation of the strength of the correlation according to "Guilford's Rule of Thumb"

Value of Pearson's Correlation Coefficient Between Variables (r-value)	The interpretation of the strength of the correlation
0.00 – 0.30	Very low relationship
0.31 – 0.50	Low relationship
0.51 – 0.70	High relationship
0.71 – 1.00	Very high relationship

Further to this, the interpretation of the strength of the correlation according to Guilford's Rule of Thumb is referred to determine the strength of the correlation value. The strength of relationship that exist between employee communication and employee development is interpreted as very high relationship as the value of Pearson's correlation coefficient, $r = .706$ fell under coefficient range between ± 0.71 to ± 1.00 . Thus, it indicates that there was significant positive

relationship between employee communication and employee engagement with very high relationship.

4.6.2 Relationship between employee development and employee engagement

Based on table 4.5, the Pearson's Correlation Coefficient value for employee development, $r = .709$ and $p < 0.05$ indicates that there was a significance positive relationship exist between employee development and employee engagement in this study because of the positive value for correlation coefficient.

Based on Guilford's Rule of Thumb, the value of this Pearson's correlation coefficient, $r = .709$ fell under coefficient range from $\pm 0.71 - \pm 1.00$. Thus, the relationship between employee development and employee engagement was significant with very high relationship with the p-value = 0.00 is less than alpha value, 0.05.

4.6.3 Relationship between rewards and recognition and employee engagement

Based on Table 4.5, the Pearson's Correlation Coefficient value for rewards and recognition, $r = .675$ and $p < 0.05$ indicates that there was a significance positive relationship exist between rewards and recognition and employee engagement in this study because of the positive value for correlation coefficient.

Based on Guilford's Rule of Thumb, the value of this Pearson's correlation coefficient, $r = .675$ fell under coefficient range from $\pm 0.51 - \pm 0.70$. Thus, the relationship between rewards and recognition and employee engagement was significant with high relationship with the $p\text{-value} = 0.00$ is less than alpha value 0.05 .

4.7 Multiple Regressions Analysis

Multiple regressions is an extension of bivariate correlation. The result of regression is an equation that represents the best prediction of a dependent variable from several independent variables. Regression analysis is used when independent variables are correlated with one another and with the dependent variable.

The table below exhibits the variance explanation. The multiple regression analysis treated the measurements of independent and dependent variables in the separate equation. The multiple regression is used to show strengthen of relationship between dependent and independent variables within significant or insignificant ways. This model provides the variance in relationship and determines the coefficients. The R square value shows effect of control variables. There are three engagement independent variables which show impact on employee engagement. The findings of this model are displayed in Table 4.6.

Table 4.6
Results of Multiple Regression Analysis

(a) Model Summary

R	R Square	Adjusted R Square	Std. Error of the Estimate
.759 ^a	.576	.567	6.39140

(b) Coefficients ^a

Variables	Standardized Coefficients (Beta, β)	Sig
Employee Communication	.261	.011
Employee Development	.326	.001
Rewards and Recognition	.237	.008

Table 4.6 (a) shows that $R = .759$ which indicate the significant correlation between dependent variable and independent variables. The R-square value (.576) reveals the variance between independent variables (employee communication, employee development and rewards and recognition) and dependent variable (employee engagement) which is 57.6%. It identifies the portion of the variance accounted for by the independent variables that are approximately 57.6% of the variance in the employee engagement is accounted for by employee communication, employee development and rewards and recognition. This value indicates that those three factors explained employee engagement by 57.6%. It means that there are also some other factors which not be considered.

The Adjusted R square is considered a better population estimation and is useful when comparing the R Square values between models with different number

of independent. The value of Adjusted R Square obtained .567, illustrate that 56.7% changes of dependent variable which is the employee engagement can be explained by the three independent variables which are employee communication, employee development and rewards and recognition. The other 43.3% can be determined by other variables.

The result of regression is an equation that represents the best prediction of a dependent variable from several independent variables. The results (Table 4.6 (b)) also show that all the independents variables are significantly correlated to employee engagement with $p < 0.05$. The beta (β) value for employee communication ($\beta = .261$), employee development ($\beta = .326$), and rewards and recognition ($\beta = .237$) explained the significance of the three independent variables to employee engagement. Among all three variables, employee development ($\beta = .326$), is the strongest variables, followed by employee communication ($\beta = .261$) and rewards and recognition ($\beta = .237$).

The model summary also exhibits the 65.268 F-change value which is significant at 0.001 levels. In addition, this model displays Durbin Watson value of 1.807 which indicates the data has error free term for dependent variables and independent variables.

4.8 Discussion

4.8.1 Research Objective 1: To examine the relationship between employee communication and employee engagement in XY Bank Berhad.

Based on the finding results on the value of Pearson's correlation coefficient, $r=0.706$, it indicates that there is a significant positive relationship exists between employee communication and employee engagement with very high relationship.

The result was parallel with the research conducted by Sarangi and Srivastava (2012) towards the Indian private banks indicated that there was a significant impact between employee communication and employee engagement.

This result was also congruent with the research conducted by Karanges, Johnston, Beatson and Lings (2015) which to examine the relationship between internal communication and employee engagement. Both of the variables have a positive significant relationship.

4.8.2 Research Objective 2: To examine the relationship between employee development and employee engagement in XY Bank Berhad.

Based on the finding results on the value of Pearson's correlation coefficient, $r=0.709$, it shows that there was a significant positive relationship exists between employee development and employee engagement with strong relationship.

This result was supported by the research that was done by Jogi and Srivastava (2015) on selected private banks in Central Chhattisgarh, India reveals that employee development has significant positive impact on employee engagement in banking sector.

4.8.3 Research Objective 3: To examine the relationship between rewards & recognition and employee engagement in XY Bank Berhad.

Based on the finding results on the value of Pearson's correlation coefficient, ($r=0.675$), it shows that there was a significant positive relationship exists between rewards and recognition and employee engagement with high relationship.

This result was similar with the research that conducted by some scholars which highlighted the positive relationship between rewards and recognition and employee engagement. A research conducted by Hassan, Hassan and Shoaib (2014) among bank employees in Pakistan, indicated that there was a significantly positive relationship among reward system and employee engagement.

It was also supported by the research conducted by Khan and Altaf (2015) indicated that there was significant relationship between rewards and recognition and employee engagement.

4.8.4 Research Objective 4: To identify which among the three independent variables is the most important driver that influences employee engagement in XY Bank Berhad.

Based on Beta (β) value obtained from the multiple regression analysis, it shows that employee development attained with the highest score i.e. $\beta = .326$. It was followed by employee communication, $\beta = .261$ and rewards and recognition, $\beta = .237$. It indicates that employee development was the most influenced factor that contributed to employee engagement in XY Bank Berhad.

This result was similar to the research conducted by Choo (2009) indicated that employee development can greatly enhance employee engagement by nurturing talent and helping people to learn new things and improve their performance. Most people want to feel that they are doing a good job and they are valued by their organization for the part they play. In addition, few people like to remain static in a work environment and prefer to have variety in their work and see development potential in their role. Employee development provides a way to address all of these human needs and greatly improves employee engagement. Companies who invest in their people through employee development are also viewed more favorably by employees than those in organizations who do not.

4.9 Conclusion

The above findings of correlation analysis show that there is positive significant relationship between independent variables (employee communication,

employee development and rewards and recognition) and dependent variable (employee engagement). Furthermore, employee development has been identified as the most influential driver of employee engagement for the case of XY Bank Berhad.



CHAPTER 5

CONCLUSION AND RECOMMENDATION

5.1 Introduction

This final chapter of this thesis provides a summary of this study. It discusses the implications of this study and summary of the results. It also discussed on the research limitations, suggested possible future research directions, and highlighted the significance of the results in this research.

5.2 Conclusion to the Study

The main purpose of this research was to identify factors that influence employee engagement in XY Bank Berhad. Three determinants drivers namely employee communication, employee development and rewards and recognition were selected to further examined whether there was any relationship with the dependent variable i.e. employee engagement. Further to these objectives, this research was also conducted to determine which of the independent variables mentioned was the most dominant towards employee engagement level in XY Bank Berhad.

The results of this study showed that there was a significance positive relationship between the three independent variables with the dependent variable. The value of Pearson's correlation coefficient indicates that employee communication and employee development had a significant positive relationship with employee engagement with very high relationship while rewards and

recognition had a significant positive relationship with high relationship with employee engagement.

The study followed an explanatory cross-sectional design. Data for the research was collected through close-ended questionnaires. The target population for this study consisted of employees working at XY Bank Berhad headquartered in Kuala Lumpur. The target respondents comprised of two job categories which were supervisory and clerical staff. Out of 240 employees working at XY Bank Berhad, 148 respondents were sampled to participate in this research. A stratified random sampling technique was used in this study. In all, a total number of 148 questionnaires representing a response rate of 100% were used for the analysis.

This research used four techniques to analyze the data which were descriptive statistics, reliability test, Pearson's correlation analysis and multiple regressions analysis. SPSS version 21 was employed in this research to further analyze the data. In addition, tables and charts were used for the purpose of data presentation. Descriptive statistics for examples were mean, percentages and standard deviation used to present the results that was obtained from the respondents. Reliability analysis was used to examine the reliability of the variables. Besides that, Pearson's correlation analysis was used to examine the strength of the relationship between the variables. Finally, multiple regression analysis used in this research was to identify and specify the most dominant factor that impacts on the dependent variable.

Basically, all independent variables indicated relationship with employee engagement. Based on the results, it was established that employee communication, employee development and rewards and recognition were significantly predicted to give impacts on employee engagement. The full interpretation and discussion of data had been done in Chapter Four and Chapter Five providing among other things the summary of the main findings as well as conclusion and recommendations.

5.3 Conclusion of the Research Objectives

All four research questions were answered in this study. All four objectives were fulfilled. The findings were summarized as the following table:

Table 5.1
Conclusion to the Research Objectives

Research Objective	Test	Result
To examine the relationship between employee communication and employee engagement	Correlation Analysis / Multiple Regression	Significant, positive with very high relationship
To examine the relationship between employee development and employee engagement	Correlation Analysis / Multiple Regression	Significant, positive with very high relationship
To examine the relationship between rewards and recognition and employee engagement	Correlation Analysis / Multiple Regression	Significant, positive with high relationship
To identify which among the three independent variables is the most important driver that influences employee engagement in AiBB	Multiple Regression	Employee development was found as the most dominant driver that influences employee engagement

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

5.3.1 Research Objective 1: To examine the relationship between employee communication and employee engagement in XY Bank Berhad

The first research objective for this study was to examine the relationship between employee communication and employee engagement in XY Bank Berhad. Based on the correlation analysis results, it shows that there was a very high relationship between employee communication and employee engagement. Meanwhile, the regression analysis result indicates that employee communication was significantly correlated with employee development.

This result is parallel with the research conducted by Abdul Aziz (2012). The scholar intended to examine and to better understand on the drivers influencing employee engagement in Newfield Exploration (Malaysia). Newfield Exploration is an independent crude oil and natural gas exploration and production company headquartered in The Woodlands, Houston Texas, USA. This research was conducted using structured questionnaire and 99 data were collected and tested with linear regression analysis. The result had showed a positive and strong coefficient value between employee communication and employee engagement. This finding was also parallel to the research conducted by the CIPD (2006) survey which reported that the two most important drivers of employee engagement are having opportunities to feed upwards and feeling well-informed about what is happening in the organization.

The positive and significant coefficient value between employee communication proved that communication is one of the factors that could influence towards employee engagement in the organization. If employees are well informed on what the organization's progress: being informed the reasons behind every decision made by the company and the information is shared with them in timely manner and through proper channel, the engagement within the employees will be increased (Parsley, 2006).

Parsley (2006) also discovered that that effective communication as a significant driver for employee engagement. A part of effective communication, enhancing the communication skills of managers and making communication as part of performance in achieving organizational goal are vital. Communication becomes more critical resource under certain and stressful circumstances. Managers shall also play a role to ensure that employees are aligned with organizational goal.

The result was also supported in a research conducted by Sarangi and Srivastava (2012) who studied the benefit and factor of the organizational and communication on facilitating employee engagement especially in the Indian private banks. This research targeted the respondents of Indian private banks. By using the survey questionnaire method, 247 data were collected and tested by using multiple regressions. The result shows that there was a significant impact between organization communication and employee engagement.

Meanwhile, in a research conducted by Karanges, Johnston, Beatson and Lings (2015), the scholars examine the importance of the relationship between

employee communication and employee engagement. This research was conducted by using online survey method with the target respondents of Australian organization employing over 50 staff. By using online survey, 200 data was collected and tested with linear regression analysis. The result showed a significant and positive relationship between employee communication and employee engagement.

Based on the above findings, the researcher found that effective employee communication is a key driver of employee engagement and engaged employees contribute to better financial performance. A well-designed communication program successfully conveys the organization's strategic plan and other important organizational information to the employee. It results in well-informed employees that embrace business priorities and are connected to the product. Employees understand how and why the company, its competitors and those in their industry create value and serve customers and stakeholders; they understand how their work impacts the success of the organization.

This accomplished the first research objective which was to examine the relationship between employee communication and employee engagement.

5.3.2 Research Objective 2: To examine the relationship between employee development and employee engagement in XY Bank Berhad

The second research objective for this research was to examine the relationship between second driver i.e employee development and employee engagement. Based on the result from correlation analysis, it shows that there was a

very high relationship between employee development and employee engagement. Meanwhile, the regression analysis result indicated that employee development was significantly correlated with employee development.

Wellins and Concelman (2015) noted that organizations can enhance engagement in their workforce by creating a learning culture and creating individual development plans for every employee. Many studies had shown that most employees want to keep their jobs inventive and interesting by acquiring new knowledge and skills and applying new approaches in their daily work life.

The significant relationship between employee development and employee engagement was also supported from the findings conducted by Atieh AlQuabeh (2016). According to Atieh AlQuabeh, an appropriate employee development program was required to get high engagement, because if an employee is not capable of performing task, he will not be motivated to do that causes employee disengagements. Thus, XY Bank Berhad can maintain and at the same time control the current employee development program. Its primary purpose is to help employees to reach short and long-term career goals, as well as to improve job performance. It is also to get high engagement, because if an employee is not capable of performing a task, he will not be motivated which leads to the basic cause of employee disengagement.

The article of Khan and Altaf (2015) focuses to identify the important dimension in an organization which influences employee engagement to overcome the difficulty while engaging employment and developing effective strategies for

organization. Data collected through questionnaire from 125 employees of major organization working in Pakistan and it was tested by using regression analysis. Outcomes showed there was significant relationship between employee development and employee engagement.

In Towers Perrin Global report (2008) stated that 84% of respondent agreed that they enjoyed challenging work assignments that broaden their 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 were 'improved my skills and capabilities over the last year'. These findings suggested that training should begin with the first day of employment and continue throughout the employee's career to be truly successful (Towers Perrin, 2008).

In a conclusion, the result of correlation analysis was similar with the previous researches which proposed that there was a strong relationship between employee development and employee engagement. According to Shuck and Wollard (2010), researchers had also noted strong evidence of the positive relationship between employee development and employee engagement. Further to this, Shuck and Rocco (2014) presented a number of strategies for enhancing employee engagement through workplace learning, organizational development and career development interventions. The authors posited that individual employee development and management training programs can further enhance engagement among employees.

This accomplished the second research objective which was to examine the relationship between employee development and employee engagement.

5.3.3 Research Objective 3: To examine the relationship between rewards and recognition and employee engagement in XY Bank Berhad

This third research objective for this research was to explore the relationship between rewards and recognition and employee engagement. As mentioned in the previous chapter, rewards and recognitions make employees feel they are listened to, supported, and recognized for their contributions and are likely to be more engaged.

Based on the correlation analysis result, it showed that there was a high relationship between rewards and recognition and employee engagement. Meanwhile, the regression analysis result revealed that rewards and recognition was significantly correlated with employee development.

Based on the result, we also found out that most of the employee would be more motivated to stay in organization longer if their organization or supervisor gives recognition to them. This was supported by Choo (2009) where he mentioned that if the organizations do not have a culture of employee engagement rewards and recognition system, burnout occurs which may cause the employees to leave the organization. However, if employee engagement's efforts are recognized and they are rewarded, ultimately employee engagements feel obliged towards higher engagement level.

Furthermore, the research found a positive correlation of rewards and recognition and employee engagement and results were consistent with Yusof (2015). He concluded that employee engagement whose feedback are responded well, supported in their work and are recognized for their efforts are probably more engaged.

Ram and Prabhakar (2011) aimed to identify the antecedents and effects of employee engagement in Jordanian industry. The data was collected by using the research instrument and 310 respondents from Jordanian hotel participated in the interview. The sample included of employees from various levels of management. Pearson correlation coefficient analysis was conducted and the result indicated a strong positive correlation between extrinsic employee engagement and rewards and recognition.

According to Heikkeri (2010) research findings supported the argument, she discovered that rewards and recognition may lead to improvement and can become an essential tool of employee engagement when organization uses this practice on a regular basis and in a variety of different ways. The ways of rewarding and recognizing employees should be selected in accordance with the motivational interests of the employee.

This accomplished the third research objective which was to examine the relationship between rewards and recognition and employee engagement.

5.3.4 Research Objective 4: To identify which among the three independent variables is the most important driver that influences employee engagement in XY Bank Berhad

The results of this study indicated that the most important element in relation to employee engagement was employee development. This finding is parallel with the ASTD research. The research found that employee desire opportunity to growth and advancement in their organization has a direct effect on engagement whereby 65% of the respondents answered that the “quality of training and learning opportunities” positively influences employee engagement to a high or very high extent – the strongest response of the survey.

Based on study conducted by Robinson, Perryman, and Hayday (2004); and Saks (2006) and the degree of meaningfulness (Kahn, 1990) they associate themselves to their jobs. Cattermole, Johnson and Roberts (2013) had identified employee development and flexible working as a key tenet of empowerment for engaging the people and as a sense of loyalty can be imbibed in them if the firm offers them challenging tasks, development opportunities and a fun environment. Researchers had also noted strong evidence on the positive relationship between employee development and employee engagement (Shuck and Wollard, 2010). Shuck and Rocco (2014) presented a number of strategies for enhancing employee engagement through workplace learning, organizational development and career development interventions. The authors posited that individual employed development and management training programs can further enhance engagement among employees.

5.4 Implication

According to the achieved results, all of the independent variables had the significant impact on employee engagement. Therefore, XY Bank Berhad should concern with all of the independent variables that affect employee engagement in the organization to control the level of engagement among employees.

5.4.1 Managerial Implications

This study has several implications on the academics, practitioners and human resource management in organization in Malaysia. The positive significance relationship between independent variables namely employee communication, employee development and rewards and recognition will definitely help human resource managers increase the level of employee engagement among employees.

By recognizing the determinants of employee engagement as described in this study, human resource managers can more accurately predict such behaviours and take the necessary steps in advance to engage and prevent attrition among employees. The results presented in this study should provide valuable information for human resource managers in the organizations as they continue improve performance in today's workplace. It will also help managers to give more realistic job previews so that employees know what is expected of them and can be more realistic in their expectations to boost their morale and engagement. Organizations need to use their own leadership communication skills and cross-lead to increase competence in order to engage employees who are disengaged in the organization

which can be obtained by building an effective communication skill process. Organizations can also apply emotional intelligence by developing a mentoring program in which top-tier level executives which help organizations create an engaged environment that develop new leaders and succession planning as well.

5.4.2 Implication to HR Policy Makers

The findings of this research also have significant implication for policy makers. HRM policies and practices can be strategically designed and implemented based on the findings from this study to promote desirable employee outcomes which include the enhancement of role behaviour of employees and improve the linkage between employee and their organizations. Human resource managers can focus on employee communication, employee development and rewards and recognition package to increase employee engagement level.

Employee engagement in organizations can be improved and enhanced by involving employees in the strategic decisions that affect them by asking for their input and allowing them to participate in exchange of one another's idea and assumptions which can help increase engagement as it reflects management respect for employees and their ideas (Macey & Schneider, 2008) thus resulting in better strategic decisions by management and greater commitment from all the employees involved in the execution of the decision (Kim & Mauborgne, 2005).

Organizations need to review if their HR operations are supported by technology that enable HR policies and processes to be available to every employee

in order to create a healthy work environment which promotes involvement of employees. Effective performance management in organizations can be improved through employee goal planning, career development, competency assessment, performance appraisal and compensation management which leads to employee engagement.

5.5 Recommendations for Future Research

In the future research, researcher can use qualitative research to gather and in-depth understanding and more accuracy data on the research. By qualitative research, it will enhance the understanding of the impact of human resource management practices on employee engagement at chosen company.

Secondly, due to time and financial constraints, this research was conducted in cross-sectional research. Therefore, it is better for other researchers to choose a longitudinal research to assess the human resource practices that affect employee engagement. Some benefits for future researchers to conduct longitudinal studies including the researchers can learn more about cause and effect relationships and connections between human resource practices and employee engagement. Besides that, more data collected by researchers over longer periods of time will enable them to get better and more concise results compared to cross-sectional research.

Besides that, this research merely focused on respondents from headquarters. Future researcher should get bigger sample size and not just focusing on headquarters only. This is because; respondents from various the regions can reflect

more reliable results. Furthermore, it is recommended that the researchers to use different method such as personal interview or telephone interview to collect data, so that we can get a reliable data after explain more detail the question to the respondent. In can decrease the falsification of respondents although it is time consuming.

This study has provided further insight about factors that may significantly affect employee engagement. However, additional research should be pursued to obtain a more thorough understanding of the link between other factors such as leadership, organization's culture, quality of work life balance and supervisor/co-employee support could be added in the future research to determine their relationship with employee engagement. It is because, the result of regression analysis in this research showed that there will be other factors that contributed to 42.4% (100% - 57.6%) and not included in this research.

5.6 Conclusion

After conducting this research, there is a better understanding about the factors that influence employee engagement in XY Bank Berhad. The result of this research showed that there were relationship between all independent variables namely employee communication, employee development and rewards and recognition towards employee engagement in XY Bank Berhad. Therefore, this research could recommend some potential implications for top management to make changes on human resource policies in order to meet employees' expectation.

Besides, the summary and discussion of the research, implication of the research and recommendation for future research have been discussed in this chapter.



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APPENDIX A:
APPLICATION FOR DATA COLLECTION

Universiti Utara Malaysia



UUM KUALA LUMPUR
Universiti Utara Malaysia
41-3, Jalan Raja Muda Abdul Aziz
50300 KUALA LUMPUR
MALAYSIA



Tel: 603-2610 3000
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Laman Web (Web): <http://uumkl.uum.edu.my>

"MUAFAKAT KEDAH"

Our Ref : UUM/UUMKL/P-39/133
Date : 09th January 2017

TO WHOM IT MAY CONCERN

COLLECTION OF DATA FOR RESEARCH PURPOSES

We are pleased to inform you that the following individual is UUM Kuala Lumpur student who is presently pursuing his Master of Human Resoure Management. She is required to collect data from your organization as a requirement for the BPMZ69912 Research Paper courses that she is pursuing this semester.

No.	Name	Matric No.	I/D No.
1.	Noorimah Binti Mohd Mustaffa	818734	811120045158

Since she has chosen your organization as her assignment, we would be most grateful if you could render all assistance to her to carry out the project successfully.

Please be informed that the data collected is purely for academic purposes and we assure you that all information or data will be kept strictly confidential.

We really appreciate your kindness and cooperation in the above matter.

Thank you.

"SCHOLARSHIP, VIRTUE AND SERVICE"

Sincerely yours,

DR. AHMAD RIZAL BIN MAZLAN
Director
UniversitiUtara Malaysia
Kuala Lumpur (UUMKL)

Universiti Pengurusan Terkemuka
The Eminent Management University



APPENDIX B:

QUESTIONNAIRE



UUM

Universiti Utara Malaysia



Universiti Utara Malaysia Kuala Lumpur (UUMKL)

QUESTIONNAIRE

Research Title:

“Factors Influencing Employee Engagement: A Case Study in XY Bank Berhad”

Dear respondents,

I am currently pursuing a Master in Human Resource Management at Universiti Utara Malaysia, Kuala Lumpur. As part of the mandatory fulfilment criteria towards a completion of my postgraduate study, I am currently working on a research entitled **“Factors Influencing Employee Engagement: A Case Study in XY Bank Berhad”**.

Researches indicate that if employees are engaged with the Company, their job satisfaction level increases. Employees, who are engaged and satisfied, invest in the success of the business and have a high level of commitment and loyalty. Engaged employees play a key role in the organization, acting as ambassadors of the company. They promote and support the company’s mission, strategy and brand.

The objective of this study is to identify the factors that influence employee engagement in XY Bank Berhad. This study shall be completed through your utmost cooperation by providing your valuable time and honest reply.

This questionnaire is divided into five (5) sections: Section A (Personal information of the respondent), Section B, Section C, Section D and Section E (Factors Influencing Employee Engagement).

Please answer **ALL** questions by fulfilling the appropriate boxes. Your answers will be treated strictly confidential and will be used for academic purposes only.

Your cooperation and contribution for this survey is highly appreciated. Please do not hesitate to contact me at +6012-2556659 should you need further clarification.

Please return the completed questionnaire at your earliest convenience. Thank you.

Yours sincerely,

NOORIMAH BINTI MOHD MUSTAFFA

Master of Human Resource Management

Matric No.: 818734

SECTION A:

DEMOGRAPHIC INFORMATION / MAKLUMAT DEMOGRAFI

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

Soalan – soalan di bawah adalah mengenai latarbelakang 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 ke atas

3. **Marital Status / Status Perkahwinan:**

Single / Bujang

Married / Berkahwin

4. **Race / Bangsa:**

Bumi / Bumi

Non-Bumi / Non-Bumi

5. **Academic Qualifications / Kelayakan Akademik:**

Secondary / Sekolah Menengah

Diploma / Diploma

Degree / Sarjana Muda

Master/ Sarjana

PHD / Doktor Falsafah

6. **Job Category / Kategori Jawatan:**

Supervisory / Penyeliaan

Clerical / Pengkeranian

7. Department / Jabatan:

- Business Admin / *Pentadbiran Perniagaan*
- Finance / *Kewangan*
- Human Resource / *Sumber Manusia*
- Information Technology & Operations / *Teknologi Maklumat & Operasi*
- Consumer Financing / *Pembiayaan Peribadi*
- Consumer Sales / *Jualan Pengguna*
- Hire Purchase / *Sewa Beli*
- Banking Services / *Perkhidmatan Perbankan*
- Remedial Management / *Pengurusan Pemulihan*
- Product Development / *Pembangunan Produk*
- Business Banking / *Perbankan Perniagaan*
- Customer Service / *Perkhidmatan Pelanggan*
- Shariah Supervisory / *Pengawasan Syariah*
- Islamic Treasury / *Perbendaharaan Islam*

8. 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 (√) your level of agreement with each of the following statements at the most appropriate answer.

Sila nyatakan tahap persetujuan anda (√) ke atas setiap pernyataan berikut.

1	2	3	4	5
Strongly disagree / <i>Sangat tidak bersetuju</i>	Disagree / <i>Tidak bersetuju</i>	Uncertain / <i>Tidak pasti</i>	Agree / <i>Bersetuju</i>	Strongly agree / <i>Sangat bersetuju</i>

No.	Employee Engagement / <i>Penglibatan Pekerja</i>	1	2	3	4	5
1.	Time passes quickly when I perform my job. <i>Masa berlalu begitu pantas apabila saya menjalankan tugas.</i>					
2.	I often think about other things when performing my job. <i>Saya kerap memikirkan tentang perkara lain semasa menjalankan tugas.</i>					
3.	I am rarely distracted when performing my job. <i>Saya jarang terganggu apabila menjalankan tugas.</i>					
4.	Performing my job is so absorbing that I forget about everything else. <i>Melaksanakan tugas membuatkan saya leka lalu terlupa tentang segala-segalanya.</i>					
5.	My own feelings are affected by how well I perform my job. <i>Perasaan saya mempengaruhi prestasi tugas saya.</i>					
6.	I really put my heart into my job. <i>Saya melakukan tugas dengan sepenuh hati.</i>					
7.	I get excited when I perform well in my job. <i>Saya sangat teruja apabila melaksanakan tugas dengan baik.</i>					
8.	I often feel emotionally detached from my job. <i>Saya sering merasakan emosi saya terpisah dengan tugas.</i>					
9.	I stay until the job is done. <i>Saya akan tunggu hingga tugas saya selesai.</i>					
10.	I exert a lot of energy performing my job. <i>Saya gunakan sepenuh tenaga ketika menjalankan tugas.</i>					
11.	I take work home to do. <i>Saya membawa pulang tugas ke rumah.</i>					

12.	I avoid working overtime whenever possible. <i>Saya mengelak kerja lebih masa sebaik mungkin.</i>					
13.	I avoid working too hard. <i>Saya mengelak bekerja terlalu kuat.</i>					

**SECTION C:
EMPLOYEE COMMUNICATION / KOMUNIKASI PEKERJA**

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

Sila nyatakan tahap persetujuan anda (√) ke atas setiap pernyataan berikut.

1	2	3	4	5
Strongly disagree / <i>Sangat tidak bersetuju</i>	Disagree / <i>Tidak bersetuju</i>	Uncertain / <i>Tidak pasti</i>	Agree / <i>Bersetuju</i>	Strongly agree / <i>Sangat bersetuju</i>

No.	Employee Communication / <i>Komunikasi Pekerja</i>	1	2	3	4	5
1.	There is a good communication between various parts of the Company. <i>Terdapat komunikasi yang baik di antara bahagian-bahagian dalam Syarikat.</i>					
2.	My Company does a good job of communicating information to all employees. <i>Syarikat saya melakukan tugas dengan baik dalam menyampaikan maklumat kepada semua kakitangan.</i>					
3.	I am kept well informed about what the Company is doing. <i>Saya dimaklumkan mengenai apa yang berlaku di dalam Syarikat.</i>					
4.	I am kept informed about reasons behind Company decisions. <i>Saya dimaklumkan mengenai sebab-sebab di sebalik keputusan yang dibuat oleh Syarikat.</i>					
5.	Information is shared in a timely manner from the Company. <i>Maklumat dikongsi oleh Syarikat tepat pada masanya.</i>					
6.	I am able to speak up and challenge the way things are done in the Company. <i>Saya boleh bersuara dan menyoal perkara-perkara yang diputuskan di dalam Syarikat.</i>					
7.	Management encourages employee suggestions. <i>Pihak pengurusan mengalukan pandangan pekerja.</i>					

**SECTION D:
EMPLOYEE DEVELOPMENT / PEMBANGUNAN PEKERJA**

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

Sila nyatakan tahap persetujuan anda (√) ke atas setiap pernyataan berikut.

1	2	3	4	5
Strongly disagree / <i>Sangat tidak bersetuju</i>	Disagree / <i>Tidak bersetuju</i>	Uncertain / <i>Tidak pasti</i>	Agree / <i>Bersetuju</i>	Strongly agree / <i>Sangat bersetuju</i>

No.	Employee Development / <i>Pembangunan Pekerja</i>	1	2	3	4	5
1.	My employer encourages me to extend my abilities. <i>Majikan menggalakkan saya untuk meningkatkan kelebihan saya.</i>					
2.	This organization has provided me with training opportunities enabling me to extend my range of skills and abilities. <i>Organisasi ini telah menyediakan peluang latihan yang membolehkan saya meningkatkan kemahiran dan kebolehan saya.</i>					
3.	I get the opportunity to discuss my training requirement with my employer. <i>Saya berpeluang berbincang tentang keperluan latihan saya bersama majikan saya.</i>					
4.	The training I have attended was useful and relevant to my job. <i>Latihan yang telah saya hadiri berguna dan bersesuaian dengan tugas saya.</i>					
5.	Overall, staff developments have helped me to do my job more effectively. <i>Secara keseluruhannya, pembangunan pekerja telah membantu saya dalam menjalankan tugas dengan lebih berkesan.</i>					
6.	My Company does provide a good career development for me. <i>Syarikat saya menyediakan pembangunan kerjaya yang baik untuk saya.</i>					

SECTION E:
REWARDS & RECOGNITION / GANJARAN & PENGIKTIRAFAN

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

Sila nyatakan tahap persetujuan anda (√) ke atas setiap pernyataan berikut.

1	2	3	4	5
Strongly disagree / <i>Sangat tidak bersetuju</i>	Disagree / <i>Tidak bersetuju</i>	Uncertain / <i>Tidak pasti</i>	Agree / <i>Bersetuju</i>	Strongly agree / <i>Sangat bersetuju</i>

No.	Rewards & Recognition / <i>Ganjaran & Pengiktirafan</i>	1	2	3	4	5
1.	My successes are recognized by my manager and co-workers. <i>Kejayaan saya diiktiraf oleh ketua dan rakan sekerja saya.</i>					
2.	An outstanding performer will be recognized and rewarded by the Company. <i>Pekerja yang menunjukkan prestasi yang cemerlang akan diiktiraf dan diberi ganjaran oleh Syarikat.</i>					
3.	The pay and benefits in my organization are competitive compared to similar industry. <i>Gaji dan faedah di dalam organisasi saya adalah kompetitif berbanding dengan industri yang sama.</i>					
4.	In the last seven days, I did receive recognition or praise for doing good work. <i>Dalam tujuh hari yang lalu, saya menerima pengiktirafan atau pujian kerana melakukan kerja dengan baik.</i>					
5.	Job promotion in this organization is fair and objective. <i>Kenaikan pangkat di organisasi ini adalah adil dan objektif.</i>					
6.	I am satisfied with the rewards and recognition that I received. <i>Saya berpuas hati dengan ganjaran dan pengiktirafan yang saya terima.</i>					

-END OF QUESTIONS-

Thank you.
Terima kasih.



APPENDIX C:

SPSS OUTPUT

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Demographic Variables

Gender

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	58	39.2	39.2	39.2
Valid Female	90	60.8	60.8	100.0
Total	148	100.0	100.0	

Age

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Below 25 years old	15	10.1	10.1	10.1
Valid 26 to 35 years old	49	33.1	33.1	43.2
Valid 36 to 45 years old	52	35.1	35.1	78.4
Valid 46 to 55 years old	29	19.6	19.6	98.0
Valid 56 years old and above	3	2.0	2.0	100.0
Total	148	100.0	100.0	

Marital Status

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Single	44	29.7	29.7	29.7
Valid Married	104	70.3	70.3	100.0
Total	148	100.0	100.0	

Race

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Bumi	138	93.2	93.2	93.2
Valid Non-Bumi	10	6.8	6.8	100.0
Total	148	100.0	100.0	

Academic Qualifications

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Secondary	50	33.8	33.8	33.8
Diploma	11	7.4	7.4	41.2
Degree	68	45.9	45.9	87.2
Master	17	11.5	11.5	98.6
PHD	2	1.4	1.4	100.0
Total	148	100.0	100.0	

Job Category

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Supervisory	98	66.2	66.2	66.2
Clerical	50	33.8	33.8	100.0
Total	148	100.0	100.0	

Department

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Business Administration	11	7.4	7.4	7.4
Finance	14	9.5	9.5	16.9
Human Resource	12	8.1	8.1	25.0
IT & Operations Support	7	4.7	4.7	29.7
Consumer Financing	9	6.1	6.1	35.8
Consumer Sales	12	8.1	8.1	43.9
Hire Purchase	11	7.4	7.4	51.4
Banking Services	7	4.7	4.7	56.1
Remedial Management	9	6.1	6.1	62.2
Product Development	11	7.4	7.4	69.6
Business Banking	13	8.8	8.8	78.4
Customer Service	14	9.5	9.5	87.8
Shariah Supervisory	9	6.1	6.1	93.9
Islamic Treasury	9	6.1	6.1	100.0
Total	148	100.0	100.0	

Length of Service

	Frequency	Percent	Valid Percent	Cumulative Percent
Below 2 years	15	10.1	10.1	10.1
3 to 5 years	28	18.9	18.9	29.1
Valid 6 to 8 years	26	17.6	17.6	46.6
More than 9 years	79	53.4	53.4	100.0
Total	148	100.0	100.0	



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Descriptive Statistics of Dependent Variable and Independent Variable

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Employee_Engagement	148	17.00	63.00	50.5135	9.71743
Employee_Communication	148	11.00	35.00	25.0676	5.08253
Employee_Development	148	8.00	30.00	22.8514	4.70253
Rewards_Recognition	148	6.00	30.00	20.3716	4.93120
Valid N (listwise)	148				

Reliability

Scale: Employee Engagement

Case Processing Summary

		N	%
Cases	Valid	148	100.0
	Excluded ^a	0	.0
	Total	148	100.0

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

Reliability Statistics

Cronbach's Alpha	N of Items
.935	13

Item Statistics

	Mean	Std. Deviation	N
EEngagement1	4.0000	1.14286	148
EEngagement2	4.1959	.92331	148
EEngagement3	4.1351	.94508	148
EEngagement4	3.3919	1.00092	148
EEngagement5	4.1351	.96643	148
EEngagement6	3.9189	.91483	148
EEngagement7	4.0541	.93884	148
EEngagement8	4.3649	.91212	148
EEngagement9	3.6824	1.02378	148
EEngagement10	3.6757	.97042	148
EEngagement11	2.6351	1.32557	148
EEngagement12	4.2027	.92552	148
EEngagement13	4.1216	.87990	148

Scale: Employee Communication

Case Processing Summary

		N	%
Cases	Valid	148	100.0
	Excluded ^a	0	.0
	Total	148	100.0

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

Reliability Statistics

Cronbach's Alpha	N of Items
.930	7

Item Statistics

	Mean	Std. Deviation	N
ECommunication1	3.6486	.87959	148
ECommunication2	3.6824	.87316	148
ECommunication3	3.6554	.85486	148
ECommunication4	3.5000	.85317	148
ECommunication5	3.5811	.84123	148
ECommunication6	3.3919	.92314	148
ECommunication7	3.6081	.83001	148

Scale: Employee Development

Case Processing Summary

		N	%
Cases	Valid	148	100.0
	Excluded ^a	0	.0
	Total	148	100.0

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

Reliability Statistics

Cronbach's Alpha	N of Items
.944	6

Item Statistics

	Mean	Std. Deviation	N
EDevelopment1	3.9662	.80319	148
EDevelopment2	3.8784	.87990	148
EDevelopment3	3.7432	1.02434	148
EDevelopment4	3.8378	.88874	148
EDevelopment5	3.7635	.84404	148
EDevelopment6	3.6622	.86153	148

Scale: Rewards & Recognition

Case Processing Summary

		N	%
Cases	Valid	148	100.0
	Excluded ^a	0	.0
	Total	148	100.0

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

Reliability Statistics

Cronbach's Alpha	N of Items
.916	6

Item Statistics

	Mean	Std. Deviation	N
R_R1	3.6081	.97335	148
R_R2	3.6014	.91651	148
R_R3	3.4122	.96841	148
R_R4	3.1149	1.02036	148
R_R5	3.2568	.99058	148
R_R6	3.3784	1.00614	148

Correlation

Correlations

		Employee Communication	Employee Development	Rewards and Recognition	Employee Engagement
Employee Communication	Pearson Correlation	1	.804**	.766**	.706**
	Sig. (1-tailed)		.000	.000	.000
	N	148	148	148	148
Employee_Development	Pearson Correlation	.804**	1	.728**	.709**
	Sig. (1-tailed)	.000		.000	.000
	N	148	148	148	148
Rewards_Recognition	Pearson Correlation	.766**	.728**	1	.675**
	Sig. (1-tailed)	.000	.000		.000
	N	148	148	148	148
Employee_Engagement	Pearson Correlation	.706**	.709**	.675**	1
	Sig. (1-tailed)	.000	.000	.000	
	N	148	148	148	148

** . Correlation is significant at the 0.01 level (1-tailed).

Regression

Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	Rewards_Recognition, Employee_Development, Employee_Communication ^b		Enter

a. Dependent Variable: Employee_Engagement

b. All requested variables entered.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.759 ^a	.576	.567	6.39140

a. Predictors: (Constant), Rewards_Recognition, Employee_Development, Employee_Communication

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7998.572	3	2666.191	65.268	.000 ^b
	Residual	5882.401	144	40.850		
	Total	13880.973	147			

a. Dependent Variable: Employee_Engagement

b. Predictors: (Constant), Rewards_Recognition, Employee_Development, Employee_Communication

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	13.051	2.769		4.714	.000
	Employee_Communication	.500	.195	.261	2.564	.011
	Employee_Development	.674	.197	.326	3.416	.001
	Rewards_Recognition	.468	.174	.237	2.690	.008

a. Dependent Variable: Employee_Engagement



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