



**Factors Affecting Employee Engagement in
Management Decisions: Celestica Malaysia
Sdn. Bhd: Case Study**

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**Factors Affecting Employee Engagement in
Management Decisions: Celestica Malaysia
Sdn. Bhd.-An Empirical Study**

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CERTIFICATION OF DISSERTATION WORK PAGE

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ABSTRACT

The focus point of this research revolves around the determinant of the performance and the meaning of employee engagement is ambiguous among both academic researchers and practitioners who use it in conversations with Managers. In this research the term is used at different times to refer to psychological states, traits, and behaviors as well as their antecedents and outcomes. According to Cooper and Schindler (2008) hypothesis is a proposition formulated for empirical testing; a tentative descriptive statement that describes the relationship between two or more variables. An important role of the hypothesis is to suggest variables to be included in the research design. According to Cooper and Schindler (2008), the null hypothesis (H₀) is an assumption that no difference exists between the sample parameter and the population statistic, while the alternative hypothesis (H_A) is an assumption that a difference exists between the sample parameter and the population statistic to which it is compared; it is the logical opposite of the null hypothesis used in significance testing. Drawing on diverse relevant literatures, the research offers a series of propositions about Employee Communication; Awards and Recognitions; and Employee Development. In addition, the research suggests some propositions regarding the effects of job attributes and leadership as main effects on The company and behavioral engagement and as moderators of the relationships among the three facets of engagement. It concludes with concerns about the measurement of the three facets of engagement and potential antecedents, especially measurement via employee surveys.

DEDICATION

I would like to dedicate my research to my beloved father, mother, brothers and sisters, as well as my most beloved friends whose precious lifelong efforts are momentum to bring me to this conceiting stage. May Allah bless and grants them a long and healthy life.

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CHAPTER 1

INTRODUCTION

1.1 Introduction

Work plays an important role in individuals' lives because they spend more of their time at work than doing any other single activity. Yuan-Ho et al (2012), gives an exposition to what motivates individuals to work. They state that individuals work because work provides a source of livelihood, a source of activity and stimulation, a source of social contacts, a means of structuring time, and a source of self-fulfillment and self-actualization.

Positive feelings about a job can contribute to individuals experiencing greater satisfaction with their lives in general. In today economic downturn situation, 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.

Employees who are engaged in their work and committed to their organizations give companies crucial competitive advantages—including higher productivity and lower employee turnover (Robert, 2006). In addition, engaged employees may be more likely to commit to staying with their current organization (Ramsay & Finney, 2006). Software giant Intuit, for example, found that highly engaged employees are 1.3 times more likely to be high performers than less engaged employees. They are also five times less likely to voluntarily leave the company (Ramsay & Finney, 2006).

Thus, it is not surprising that organizations of all sizes and types have invested substantially in policies and practices that foster engagement and commitment in their workforces (Robert, 2006). Indeed, in identifying the three best measures of a company's health, business consultant and former General Electric CEO Jack Welch recently cited employee engagement first, with customer satisfaction and free cash flow coming in second and third, respectively (Welch & Welch, 2006).

Celestica Inc. a well-known organization in EMS industry has been looking into how to enhance its employee engagement recently. An interview conducted by Celestica's

Connect Magazine with Ms Betty DelBianco, Celestica's Executive Vice President, Chief Legal and Administrative Office expressed that:

"I really can't stress enough how important it is to our success to have motivated and engaged employees. A company with satisfied and committed employees is not good enough. We need engaged employees who feel valued and acknowledged and who, as a result, are willing to put in the extra effort to deliver on our objective. In order to reach our global goal of becoming the best company in our industry, we need to create an environment where all of our 40000 employees are fully engaged and living our Brand and Values."

From Betty's statement it is clear that engagement can potentially translate into valuable business results for an organization. But what is employee engagement exactly? This study examines the factors that impact the employee engagement ways in which employers and corporate consultants define these terms today, and offers ideas for strengthening employee engagement. Though different organizations define engagement differently, some common themes emerge. These themes include employees' satisfaction with their work and pride in their employer, the extent to which people enjoy and believe in what they do for work and the perception that their employer values what they bring to the table. The greater an employee's engagement, the more likely he or she is to "go the extra mile" and deliver excellent on-the-job performance. (Robert, 2006).

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 (HRM) is to build employee engagement. As a result, numerous articles have been published that call for 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 et al. 2008; Youssef & Luthans 2007; Seligman et al. 2005).

The notion of employee engagement has sparked widespread interest over the last decade (Hallberg & Schaufeli 2006; Demerouti et al. 2011a; Saks & Gruman 2011). While

research findings vary slightly, most of these studies share a similar conclusion: that engaged employees seem to be an important source of organisational competitiveness (Teng et al. 2007; Salanova & Schaufeli 2008). Engaged employees are those who give full discretionary effort at work, and are highly vigorous and dedicated to their job, while disengaged employees are those who are motivationally disconnected from work, who do not have the energy to work hard and who are not enthusiastic at work (Bakker et al. 2008; Towers Perrin 2009). By most accounts, employee engagement affects productivity, profitability, employee retention and customer services (Zigarmi et al. 2009; Xanthopoulou et al. 2009). Even so, not much is offered in the current body of knowledge concerning how best to stimulate employee engagement (Bakker et. al 2007; Bakker & Schaufeli 2008).

In the context of Celestica, employee engagement program has been rolled out in year 2007. The top three priority matters which the top management focusses on are; Employee communication, Reward & recognition, and Employee development, Hence, this study focuses on the relationship between the three drivers of Employee engagement namely Employee communication, Rewards & recognition and Employee development.

1.2 Background of Study

The basic job of management is the effective utilization of human resources for achievements of organizational objectives (Shahid, 2009). The personnel affairs management is concerned with organizing human resources in such a way to get maximum output to the organization and to develop the talent of people at work to the fullest satisfaction (Shahid, 2009).

Dramatic changes in the global economy over the past 25 years have had significant implications for commitment and reciprocity between employers and employees and thus for employee engagement.

No matter how automated an organization may be, high productivity depends on the level of engagement and the effectiveness of the workforce (Tella, et al., 2007). Hence, managers who use the most effective motivation tools and techniques will provide competitive advantage and profits to their companies. "Managers must be ready and willing to customize the best deals in town in order to recruit, retain, and motivate the best people", argued Gilbert (2003, p.1).

Researchers reported that the literature on Factors Affecting Employee Engagement in Management Decisions factors did not typically clarified .

Based on previous findings, stated that engaged employees seem to be an important source of organizational competitiveness and need to be researched further.

A study conducted by Albrecht (2013), showed that of human resources is not addressed in appropriate manner, employees fail to fully engage themselves in their job in the response to such kind of mismanagement.

One of the main responsibilities of the Human Resources and other management professionals in an organization is to achieve competitive success and advantage through the employees they have hired. “The managers who can create high levels of motivation can get more work from five employees than their less inspiring counterparts can get out of ten, and this is a form of competitive advantage that is hard to deny” (Wagner and Hollenbeck, 2009, p.81).

A highly engaged workforce is a powerful business asset and in any given workplace, a team of people who are motivated, positive and enthusiastic about their work makes a tremendous difference to the atmosphere, the quality of work and level of productivity (Maughan, 2009).

Organizational leaders are finding it increasingly difficult to keep workers motivated to work at their highest potential and to ensure loyalty to the organization (Rampersad, 2006). Employees who are not engaged tend to be less productive, leading to poor performance, thus, lower profits for the organization (Shahzad & Bhatti, 2008). Organizational leaders must make every effort to implement policies and procedures that promote higher employee engagement, hence, increasing the potential for higher profits.

To avoid wasting money, organizational leaders need to ensure that they are receiving maximum value for monies spent on incentives and programs. Unfortunately, employees are engaged in many different ways. As employees are motivated both intrinsically and extrinsically (Bandura, 1997), it is essential for the organizational leaders to find the most effective incentives package to motivate their employees. In one study, performance increased by 23% due to monetary incentives; however, when monetary incentives were combined with intrinsic motivational rewards such as recognition and positive feedback performance was increased by 45% (Perry, Mesch, & Paarlberg, 2006). Continual study is necessary to stay abreast with the changing needs of the employees to ensure that managers and leaders have the tools and facilities they need to understand the

influence of incentives and programs on employee engagement. Although, an abundance of studies and researches concerning employee motivation has been conducted; unfortunately, little researches have been conducted that illustrate the best combination of factors to enhance employee motivation in public health sector where varied levels of positions exist and where funding for incentives can be limited. Employee engagement is a complex, broad construct that subsumes many well researched ideas such as commitment, satisfaction, loyalty and extra role behavior. An engaged employee extends themselves to meet the organization's needs, takes initiative, reinforces and supports the organization's culture and values, stays focused and vigilant, and believes he/she can make a difference (Macey, 2006).

In practice, organizations typically define engagement as being a part of the organization, having pride and loyalty in the company, being committed, and going "above and beyond the call of duty". Kahn (1990) defined employee engagement as 'the harnessing of organization members' selves to their work roles. In engagement, people employ and express themselves physically, cognitively, and emotionally during role performances. The cognitive aspect of employee engagement concerns employees' beliefs about the organisation, its leaders and working conditions.

The emotional aspect concerns how employees feel about each of those three factors and whether they have positive or negative attitudes toward the organisation and its leaders. The physical aspect of employee engagement concerns the physical energies exerted by individuals to accomplish their roles. Thus, according to Kahn (1990), engagement means to be psychologically as well as physically present when occupying and performing an organisational role. Engaged employees work with passion and feel a profound connection to their company. They drive innovation and move the organization forward (Gallup, 2004). In contrast to this, not-engaged employees are sleepwalking through their workday, putting time—but not energy or passion—into their work. They don't have productive relationships with their managers or with their coworkers. Actively disengaged employees aren't just unhappy at work; they are busy acting out their unhappiness. Every day, these workers undermine what their engaged coworkers accomplish.

Most often employee engagement has been defined as emotional and intellectual commitment to the organisation (Richman, 2006; Shaw, 2005) or the amount of discretionary effort exhibited by employees in their job (Frank et al. 2004). Development

Dimensions International (DDI, 2005) defined engagement “The extent to which people value, enjoy, and believe in what they do”. It also states that its measure is similar to employee satisfaction and loyalty. A leader, according to DDI, must do five things to create a highly engaged workforce. They are: align efforts with strategy; empower people; promote and encourage teamwork and collaboration; help people grow and develop; and provide support and recognition where appropriate. Robinson et al. (2004) defined engagement similar to the established constructs such as ‘organisational commitment’ and ‘organisational citizenship behaviour’ (OCB). It is a positive attitude held by the employee towards the organization and its values.

An engaged employee is aware of the business context and works with colleagues to improve performance within the job for the benefit of the organization. According to Maslach et al. (2001), six areas of work-life lead to either burnout or engagement: workload, control, rewards and recognition, community and social support, perceived fairness and values. They argue that job engagement is associated with a sustainable workload, feelings of choice and control, appropriate recognition and reward, a supportive work community, fairness and justice, and meaningful and valued work. Like burnout, engagement is expected to mediate the link between these six work-life factors and various work outcomes.

Corporate Leadership Council (2004) defined employee engagement as “the extent to which employees commit to something or someone in their organization, how hard they work and how long they stay as a result of that commitment”. It is a desirable condition, where an organization connotes involvement, commitment, passion, enthusiasm, focused effort, and energy among employees. So it has both attitudinal and behavioral components (Erickson, 2005).

Engagement is the measure of an employee’s emotional and intellectual commitment to their organization and its success. It is an outcome of employees’ organizational experiences that are characterized by behaviors that are grouped in to three categories: say, stay and strive (Hewitt, 2005). For Seijts and Crim (2006), employee engagement means a person who is fully involved in, and enthusiastic about, his or her work. Engaged employees care about the future of the company and are willing to invest the discretionary effort to see that the organization succeeds. Brown (2006) viewed engagement as a progressive combination of satisfaction, motivation, commitment and advocacy resulting from employees’ movement up the engagement pyramid. Employee

engagement can be considered as cognitive, emotional and behavioral. Cognitive engagement refers to employees' beliefs about the company, its leaders and the workplace culture.

The emotional aspect is how employees feel about the company, the leaders and their colleagues. The behavioral factor is the value added component reflected in the amount of effort employees put into their work (Lockwood, 2007). Mone and London (2010) defined employee engagement is “a condition of employee who feels involved, committed, passionate, and empowered and demonstrates those feelings in work behavior”. It is thus the level of commitment and involvement an employee has towards their organization and its values.

The organization must work to develop and nurture engagement, which requires a two-way relationship between employer and employee. Thus, employee engagement is a barometer that determines the association of a person with the organization.

1.2.1 Employee Engagement and Talent Retention

According to Macey and Schneider (2008), the notion of employee engagement is also a relatively new one, one that has been heavily marketed by human resource consulting firms that offer advice on how it can be created and leveraged. Academic researchers are now slowly joining the fray, and both parties are saddled with competing and inconsistent interpretations of the meaning of the construct. The result of research is to take into consideration on the employee performance management preferably in developing good human resource management strategy through implementing talent management practices.

Engagement at work as defined by Kahn (1990) is —harnessing organizational members' selves to their work roles. According to Maslach et al (2001), engagement is characterized by energy, involvement, and efficacy, the direct opposite of the three burnout dimensions of exhaustion, cynicism, and inefficacy. Employee engagement involves giving your workforce a sense of participation, freedom and trust. It differs from motivation and job involvement, and is something that is felt at three levels: the emotional, the cognitive and the physical. If an employee feels engaged on all of these levels, that is to say they feel they have meaningful relationships with peers and co-workers and are aware of their specific mission and role; they are more likely to produce good work and stay with the company

Employee Engagement is a concept within Talent Management closely connected to retention. Low in engagement always leads to high employee turnover, and consequently organizations that manage to create a highly engaged workforce have a very low employee turnover (Frank et al., 2009). It is a part of Uren's (2008) definition of Talent Management, defined as, to create an environment that engages the individual to perform at their best and stay committed to the firm. Another definition is; "Brining discretionary effort to work, in the form of extra time, brainpower and energy" (Towers Perrin, 2012 In Frank et al., 2012 p. 15).

Although Employee Engagement is a psychological construct hard to define and measure, it is generally about how the employee feels, the intentions behind actions, and the extra efforts exerted. Engagement has been directly related to positive financial performance as well as customer relationships. The major part of the workforce is not engaged and the cost of this is substantial (Frank et al., 2012). This provides a further relation to Talent Management where it is the top percentage of employees that are regarded as Talents thus logically they would be the most engaged.

Engagement has been developed from classic motivation theories. Intrinsic motivation was about making someone doing something for its own sake and not in order to receive a reward, which is in line with engagement (Frank et al., 2012). Motivation is also a part of several definitions of Talent Management (e.g. Heinen and O'Neill, 2009; Schweyer, 2008).

Underneath any individuals competencies are the engine of action, their social motivation. Personal motives influence and direct professional behavior and is this important to identify. A persons' motivation translates into strong or weak points when dealing with competencies. The motivation profile of an individual determines how he/she will use and display competencies (Bernard, 2008).

Bernard (2008) describes motivation as a combination of three social motives that forms a person's motivation profiles; the drive for achievement, the desire to maintain friendly relationship with others, and the drive for power. The drive for achievement characterizes itself through a tendency to take reasonable risks and the desire to take responsibility for results, a permanent concern for personal improvement and how to do things better, faster or differently. The desire to maintain friendly relationships makes people focus on establishing and maintaining relations at work and they are more sensitive to factors influencing them. Power, or the will to influence, is the third motivator and is

concerned with the desire to impress and influence others, build a reputation and to spontaneously offer support and advice.

Empowerment is seen as another motivating factor (Holden, 2008). Empowering employees contributes to cost reduction, productivity, business performance and knowledge creation, thus a more sufficient use of personnel than just pushing buttons or other repetitive, simple tasks (Hatch and Dyer, 2008; Glen, 2009). It is about moving from direct control and, instead, creating commitment to the organization's goals and thereby improving the quality of products and services. Thus, getting employees involved is developmental and could help release creativity and create knowledge (Holden, 2008).

Employee engagement as a key to the retention of talent is an area in which the lead has been taken by practitioners (Glen, 2006). By definition from Mathis and Jackson (2008), retention is the process in which employees are encouraged to remain with an organization.

Retaining talented productive employees and eliminating poor performing employees is essential to the long run success of an organization. The loss of talented employees may be very detrimental to the company's future success. It becomes imperative for organizations to put in place strategies to retain their workforce for performance. As a practical matter, with lower turnover, every individual who is retained means one less person to have to recruit, select and train (Mathis and Jackson, 2008). According to Peterson (2005) it is incredibly frustrating to go through a long hiring process, employee training, providing uniforms and other necessities, and then have the employee quit after two months. Then the company has to start over.

Mailman and Ricci (2004) revealed that among the most powerful indicators to predict hourly employee retention in the lodging industry were positive experiences with the company's policies and with the company's human approach to employees. According to Gberville (2010), if an organization must relieve some of its employees of their appointment, it must be done in such a way as to clearly state the reasons behind it so that other employees in the organization would not be discouraged. The extent to which retention factors lead to the desired result depends on their impact on what Maertz and Griffeth (2004) have called is —motivational forces. Adequate rewards are motivating factors for employee retention and performance. Putting into consideration, the level of rewards that will motivate employees for retention and performance is vital for organizational survival and growth.

1.3 Research Problem

Employee engagement is defined as, “The vast construct that touches almost all parts of human resource management facets we know hitherto. If every part of human resources is not addressed in appropriate manner, employees fail to fully engage themselves in their job in the response to such kind of mismanagement. ” (Albrecht, 2013).

Curiosity of the researcher is to know the reasons why Employee Engagement does not exist - Wanted to know is it because of employee development?

The general problem is that, in spite of the increased number of employee who are engaged in management decision, it is still somewhat unclear what makes an effective Engagement in Management Decisions.

This research is important because it contribute to the effectiveness of Management Decisions, and have explored Factors Affecting Employee Engagement in Management Decisions based on a sample of 148 employees.

Dramatic changes in the global economy over the past 25 years have had significant implications for commitment and reciprocity between employers and employees and thus for employee engagement. For example, increasing global competition, scarce and costly resources, high labor costs, consumer demands for ever-higher quality and investor pressures for greater returns on equity have prompted organizations to restructure themselves. At some companies, restructuring has meant reductions in staff and in layers of management (Robert, 2006).

Although restructuring helps organizations compete, these changes have broken the traditional psychological employment “contract” and its expectations of reciprocity (Robert, 2006). Employees have realized that they can no longer count on working for a single employer long enough to retire. And with reduced expectations of reciprocity, workers have felt less commitment to their employers (Robert, 2006)

On the other hand, the claim have been made that engagement is needed for high level performance, and consultant studies estimate that only 14 percent to 30 percent of the employee are engaged at work (Welbourne, 2007).

For that, everyone seems to be on the path to get their employee engaged. To date, despite a surge in interest in improving engagement, people still disagree about what

employee engagement is, how to go about getting it, and what it looks like when it achieved (Welbourne, 2007).

To engage workers as well as to benefit from that engagement, organization must invest in its human resource practices, able to weigh how much engagement and commitment the company wants and at what cost. Most importantly, organization must truly understand the factors that determine employee engagement, so that they can implement more effective human resource practices to enhance their employee engagement in the organization. This eventually will make the investment in Human Resource Practice sounds positive in return.

Apparently, disengaged employee will cost an organization such as lower productivity, higher absenteeism and turnover, recruitment and training cost. With the current global economics falling, management is zooming into organization effectiveness and minimizing the operating cost in order to be sustainable in the market. Besides that, with higher engaged employees will help the organization will be a focus in attracting new talents in labor market and become an employer of choice which eventually contributed to the organization competitive advantages.

Hence, this study is intended to find out the drivers that impact the employee engagement level in Celestica Malaysia Sdn. Bhd.

Previous research has not considered Employee development. Some researchers stated that research on the Employee development on the relationship with employee engagement in management decision is scarce. For Alfes et al. (2013) mentioned that employee engagement in management decision is a vague concept requiring further study. This gap motivates this study.

I am very curious to know whether employee development have anything to do with the Employee engagement. Especially, I want to know whether employee development can be a good factor to increase the effective of employee who are engaged in management decision.

This research study aimed to fill the gap in literature by assessing the specific and empirical relationship between (employee communication, rewards and recognition and employees development factors) in relation to employee engagement in management decision. The research aims to provide solutions to the mentioned gap by adding employee development as independent variable. The underlying model employed in this research

will help to better comprehend the relationships of these variables with the intention to use the model as a tool to employees succeed to increase the effectiveness of employee that engaged in management decision.

Researcher anticipated to prove employee communication, rewards and recognition

Employee development will determine the effectiveness of Management Decisions.

I plan to use about 240 staff in Celestica Malaysia Sdn. Bhd as my respondents to administer a research instrument in the fieldworks. I anticipate that the research findings prove that employee development play an important role in determining the success of employee engaged in management decision.

1.4 Research Questions

This research was conducted to examine the relationship between the independent variables (Employee communication, Rewards & Recognition, and Employee development) and the dependent variable (Employee engagement) in Celestica Malaysia Sdn. Bhd.

The research questions are:

1. What extent does Employee communication affect the extent of Employee engagement in Celestica Malaysia Sdn. Bhd?
2. What extent does Rewards & Recognition affect the extent of Employee engagement in Celestica Malaysia Sdn. Bhd?
3. What extent does Employee development affect the extent of Employee engagement in Celestica Malaysia Sdn. Bhd?
4. Which among the three independent variables (Employee communication, Reward and recognition, and Employee development) has the highest influence on Employee engagement?

1.5 Research Objectives

The main objective of this research is to examine the extent of the influence of the drivers of Employee engagement in Celestica Malaysia Sdn. Bhd.

The specific objectives of this research are:

1. To investigate the impact of Employee communication on Employee engagement in Celestica Malaysia Sdn. Bhd.

2. To investigate the impact of Rewards & Recognition on Employee engagement in Celestica Malaysia Sdn. Bhd.
3. To investigate the impact of Employee development programs on Employee engagement in Celestica Malaysia Sdn. Bhd.
4. To examine which of the independent variables (Employee communication, Reward and recognition, and Employee development) most importantly influence Employee engagement in Celestica Malaysia Sdn. Bhd.

1.6 Significance of the Study

According to Vazirani (2007), there are many factors that could drive to Employee Engagement in an organization such as career development, leadership on clarity of company values, respectful treatment by leaders, ethical behavior, empowerment, equal opportunity and treatment, performance appraisal, pay and benefits, health and safety, job satisfaction and so on.

The significance of this study can contribute many advantages to many parties such as corporate strategy, business unit level in forming their business strategy and the analytical and empirical researches. This research can open the eye of the managers pertaining to this subject.

This study will improve the management understanding on which factors that could affect the employee engagement, increase their information above this area via providing additional evidence on employee engagement and ultimately attempting to enhance organization performance and make organization a profitable entity.

In the 80's employer expected loyalty to the organization by offering life time employment but with the recent increase global competition, employer needed to be more flexible in their deployment of employees and thus employer started to change that contract (Welbourne, 2007). On the other hand, employer still wants to have highly engaged employee in organization in order to achieve higher productivity (Welbourne, 2007). Hence, this study aimed to provide the management a comprehensive view about employee engagement and an understanding that employee engagement is the key dominator in any organization success.

Researcher hopes that this study will give an idea to Celestica Malaysia Sdn. Bhd. on the awareness of employee engagement and also can be useful for them to understand the approaches to be taken in order to enhance the level of its employee engagement. This

knowledge is hopefully would be useful as a source of information for the future research regarding this subject.

Finally, it also can add to the existing literature of employee engagement and can be used as one of the references or guidance for future research as well as enriching the literature in human resource management.

1.7 Definition of Terms

For the purposes of this study, the following words and phrases are defined as follows:

Employee Engagement: Engagement is more than simple job satisfaction. It can best be described as a harnessing of one's self to his or her roles at work. In engagement, people express themselves cognitively, physically, and emotionally while performing their work roles (Kahn, 1990).

Disengagement: In disengagement, people withdraw and defend themselves physically, cognitively, or emotionally while performing their work roles (Kahn, 1990).

Drivers of Employee Engagement: Drivers mean that levers that can be pulled to maximize the impact on engagement. These levers or key drivers are seen as significantly to employee engagement. (Melcum, 2005)

Intrinsic Motivation: Intrinsic motivation is an in-born drive that pushes individuals to "do things that give them self-satisfaction and a sense of self-worth" (Bandura, 1997, p. 8). It can be increased by: feelings of responsibility, opportunities to learn something new, challenging nature of the work, and relationship with co-workers.

Extrinsic Motivation: Extrinsic motivation is defined as "motivation caused by the desire to attain specific outcomes" (Kinicki & Kreitner, 2009, p. 160). Extrinsic motivation can be increased by compensation, company stock, benefits, tangible incentives, promotions, and recognition.

Job Satisfaction: Spector (2000, p. 2) defines job satisfaction simply as "the degree to which individuals like their jobs and the different aspects of their jobs." Job satisfaction is also defined as a response towards various facets of one's job that is a person can be relatively satisfied with one aspect of his or her job and dissatisfied with other aspects (George & Jones, 2002; Kreitner & Kinicki, 2001). Robbins (2005) defines job satisfaction as a general attitude towards one's job; the difference between the amount workers receive and the amount they believe they should receive. In this study the job

satisfaction scales were payment, promotion, supervision, co-workers, recognition, and nature of work, communication, safety, and training.

Pay: Pay refers to the amount of compensation received for a specific job (Robbins et al., 2003). It is a salary or wages given against the work by the employer to the employee.

Promotion: According to Heery and Noon (2001, p. 286), promotion as “the act of moving an employee up the organisation hierarchy, usually leading to an increase in responsibility and status and a better remuneration package.” Grobler et al. (2002, p. 237) define promotion as “the reassigning of an employee to a higher-level job.” Graham (1986, p. 156) defines promotion as “a move of an employee to a job within the company which has greater importance and, usually higher pay.” According to Schleger (1985, p. 50), a promotion is “when one person moves into a position of greater responsibility.” According to Friday and Friday (2003), satisfaction with promotion assesses employees’ attitudes toward the organization's promotion policies and practices. In addition to this, Bajpai and Srivastava (2004) postulate that promotion provides employees with opportunities for personal growth, more responsibilities and also increased social status.

Supervision: According to Evans (1993, p. 112), a supervisor is defined as “a member of the most junior level of management in the organization.” According to Heery and Noon (2001, p. 355), a supervisor is defined as “a front-line manager who is responsible for the supervision of employees.” Nel et al. (2004, p. 453) consider supervisors to be those employees that “control the activities of lower-level employees.” According to Evans (1993, p. 112), a supervisor is defined as “a member of the most junior level of management in the organization.” According to Heery and Noon (2001, p. 355), a supervisor is defined as “a front-line manager who is responsible for the supervision of employees.” Nel et al. (2004, p. 453) consider supervisors to be those employees that “control the activities of lower-level employees.”

Co-workers: Co-worker is defined as “fellow worker, a colleague” (Chambers Compact Dictionary, 2005, p. 181). In the present study co-workers refers to employees who share a workplace with each other.

Recognition: The acknowledgment of achievement, service, merits, etc.

Working conditions: refer to such aspects as temperature, lighting, noise and ventilation

Communication: A process by which we assign and convey meaning in an attempt to create shared understanding.

Workplace Safety: Protection against health and hazards on the working environment.

Demographic Variables: refer to age, gender, nationality, marital status, educational level, position, salary, and length of service.

Univariate Statistics: Statistical measures that deal with one variable only (Neuman, 2006).

Bivariate Statistics: Statistical measures that involve two variables only (Neuman, 2006).

Multivariate Statistics: statistical measures that deal with three or more variables (Neuman, 2006).

Statistical Relationship: Expressing whether two or more variables affect one another based on the use of elementary applied mathematics, that is, whether there is an association between them or independence (Neuman, 2006).

Statistical Independence: The absence of a statistical relationship between two variables, when knowing the values of one variable provides no information about the values one will find on another variable. There is no association between them (Neuman, 2006).

1.8 Organization of Chapters

This thesis is organized into five chapters as enumerated below;

Chapter One - Introduction: This is the first chapter out of the five chapter of the thesis which has presented the background of the study as an introduction, describes the problem statements, research questions, research objectives and the significance of the study.

Chapter Two – Literature Review: This chapter reviews the secondary sources associated with employee engagement research findings done by other researchers, and also the drivers of employee engagement

Chapter Three - Methodology: This chapter presents the methodology used for this research, which is the research design and procedure. The chapter discusses important methodology parameters used in this research including; the selection of the respondents, sampling procedure and sample size, the questionnaire design, data collection procedure

and the description of the strategies and procedures that were used to analyze data collected from the survey

Chapter Four – Data Analysis: This chapter reports the descriptive statistical analysis conducted on the research variables as well as the synthesis of the data. The results are summarized in a number of tables to facilitate interpretation.

Chapter 5 – Conclusion and Recommendation: This is the final chapter and it discusses the interpretation of the research findings from the study. The findings from this study are compared to those found in past research reviewed in Chapter 2. Chapter 5 concludes with recommendations and some suggestions for future research.

CHAPTER 2

LITRETURE REVIEW

2.1 Introduction

According to Cawe (2006), a literature review provides a meaningful context of a project with the universe of research that already exists. A literature review sets the basis for any discussion or analysis or contemplation of implications or anticipation of future research. In sum, literature review presents the justification, the *raison d'être* for a research topic (Cawe, 2006)

This section will comprehensively review the collective literature related to Employee engagement as well as Importance of employees within the work environment, and the Theory underpinning the research (Social Exchange Theory). With a view and foundation in employee job engagement, treating employees as a valuable asset improves their commitment and loyalty which leads to higher performance and quality (Wen-Hwa, 2012) hence the need to examine the determinants that influence employee engagement a would also be undertaken in the chapter. This chapter gathers relevant information from journals, online search database with a view to thoroughly review the relevant literature strategic to this research

2.2 Concept and Types of Employees

Chang and Kelly (2010) reported that people join organizations with specific objectives in mind. And on the other hand, organizations attract people having specific objectives in mind. It is in the merger of these two objectives that an employment expectation is created. Employees, being individuals, bring along their own personalities into the job and the organization and are attacked by the organization's own culture.

The dynamics of this merger eventually determine the fit of the two parties involved. If the fit is negative, the employee will not be satisfied and endeavor to extricate themselves from the union. If the fit is positive, the employee will be satisfied and will endeavor to lengthen the duration of the contract. Guylaine &

Christian (2012) explained this fit as an expectation and identified two types of expectations.

Expectation 1: What an individual expects to receive from the organization and what the organization expects to give to the individual.

Expectation 2: What an individual expects to give to the organization and what the organization expects to receive from the individual.

According to Coffman (2002) there are three groups of employees. The first group is the “Engaged Employee” who is passionate about their work, have a sense of personal commitment to what they do and feel to their company. “Engaged Employees” would go beyond the job requirements, and they are instrumental in moving the organization forward. In addition to this, according to Vazirani (2007), “Engaged Employee” are builders, they want to know the desired expectation for their role so that they can meet and exceed them. They perform at consistently high levels, they want to use their talent and strengths at work every day, they work with passion and they drive innovation and move their organization forward.

The second group of employees according to Coffman (2002) is the “Non-Engaged Employees” who have no energy in performing their work. According to Vazirani (2007) “Non Engaged Employees” tend to concentrate on tasks rather than the goals and outcomes they are expected to accomplish. They want to be told what to do, just do what they can do and say they have finished. They focus on accomplishing tasks versus achieving an outcome.

The last group is “Actively Disengaged Employees” who are busy to let everyone know that they are unhappy and trying to influence those engaged employees into disengagement. Vazirani (2007) describes this group of employees as the “cave dwellers” who are “consistently against virtually everything” they are not just unhappy at work; they act out their unhappiness and sow seeds of negativity at every opportunity. Vazirani (2007) found that as workers increasingly rely on each other to generate products and services, the problems and tensions that are fostered by actively disengaged workers can cause great damage to an organization’s functioning.

2.3 Conceptualizing Engagement

2.3.1 Defining Engagement

One of the first challenges presented by the literature is the lack of a universal definition of employee engagement. Kahn (1990:694) defines employee engagement as “the harnessing of organization members’ selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances”. The cognitive aspect of employee engagement concerns employees’ beliefs about the organisation, its leaders and working conditions. The emotional aspect concerns how employees feel about each of those three factors and whether they have positive or negative attitudes toward the organisation and its leaders. The physical aspect of employee engagement concerns the physical energies exerted by individuals to accomplish their roles. Thus, according to Kahn (1990), engagement means to be psychologically as well as physically present when occupying and performing an organisational role.

Most often employee engagement has been defined as emotional and intellectual commitment to the organisation (Baumruk 2004, Richman 2006 and Shaw 2005) or the amount of discretionary effort exhibited by employees in their job (Frank *et al* 2004). Although it is acknowledged and accepted that employee engagement is a multi-faceted construct, as previously suggested by Kahn (1990), Truss *et al* (2006) define employee engagement simply as ‘passion for work’, a psychological state which is seen to encompass the three dimensions of engagement discussed by Kahn (1990), and captures the common theme running through all these definitions.

The existence of different definitions makes the state of knowledge of employee engagement difficult to determine as each study examines employee engagement under a different protocol. In addition, unless employee engagement can be universally defined and measured, it cannot be managed, nor can it be known if efforts to improve it are working (Ferguson 2007). This highlights the problems of comparability caused by differences in definition.

Furthermore, whilst it is acknowledged that employee engagement has been defined in many different ways, it is also argued the definitions often sound similar to other better known and established constructs such as ‘organisational commitment’ and ‘organisational citizenship behaviour’ (OCB) (Robinson *et al* 2004). Thus

Robinson *et al* (2004) defined engagement as ‘one step up from commitment’. As a result, employee engagement has the appearance of being yet another trend, or what some might call “old wine in a new bottle”.

2.3.2 Engagement vs Other Constructs

It would appear that there are sufficient grounds for arguing that engagement is related to, but distinct from, other constructs in organisational behaviour (Saks 2006). For example, Robinson *et al* (2004) state that:

sufficiently two aspects of “...engagement contains many of the elements of both commitment and OCB but is by no means a perfect match with either. In addition, neither commitment nor OCB reflect engagement - its two way nature, and the extent to which engaged employees are expected to have an element of business awareness.”

Saks (2006) argues that organisational commitment also differs from engagement in that it refers to a person’s attitude and attachment towards their organisation, whilst it could be argued that engagement is not merely an attitude; it is the degree to which an individual is attentive to their work and absorbed in the performance of their role. In addition, while OCB involves voluntary and informal behaviours that can help co-workers and the organization, the focus of engagement is one’s formal role performance rather than purely extra-role and voluntary behaviour.

According to May *et al* (2004) engagement is most closely associated with the constructs of job involvement and ‘flow’ (Csikszentmihalyi 1990). Job involvement is defined as ‘a cognitive or belief state of psychological identification’ (Kanungo 1982:342). This differs from engagement in that it is concerned more with how the individual employs him/her self during the performance of his/her job. Furthermore, whilst the focus of job involvement is on cognitions, engagement, according to most definitions, also encompasses emotions and behaviors.

The second related construct, the notion of ‘flow’, is defined as the “holistic sensation that people feel when they act with total involvement” (Csikszentmihalyi 1975:36). It is argued that individuals in a flow experience need no external rewards or goals to motivate them, as the activity itself presents constant challenges (*ibid*). However, whilst flow is primarily the cognitive involvement of the individual in an

activity on a momentary basis, definitions of engagement imply a longer-term and more holistic involvement in work tasks (Kahn, 1990; Holbeche and Springett, 2003).

2.3.3 Researching Engagement

One of the most influential studies of engagement was carried out by Kahn (1990). Conceptually, Kahn began with the work of Goffman (1961) who proposed that, “people’s attachment and detachment to their role varies” (Kahn 1990:694). However, Kahn argued that Goffman’s work focused on fleeting face-to-face encounters, while a different concept was needed to fit organizational life, which is “ongoing, emotionally charged, and psychologically complex” (Diamond and Allcorn 1985).

To gain further understanding of the varying levels of attachment individuals expressed towards their roles, Kahn (1990) examined several disciplines. It was found that psychologists (Freud 1922), sociologists (Goffman 1961, Merton 1957) and group theorists (Slater 1966, Smith and Berg 1987) had all recognized the idea that individuals are naturally hesitant about being members of ongoing groups and systems. As a result they “seek to protect themselves from both isolation and engulfment by alternately pulling away from and moving towards their memberships” (Kahn 1990). The terms Kahn (1990) uses to describe these calibrations are ‘personal engagement’ and ‘personal disengagement’, which refer to the “behaviors by which people bring in or leave out their personal selves during work role performances” (Kahn 1990:694). These terms developed by Kahn (1990) integrate previous ideas taken from motivation theories that people need self-expression and self-employment in their work lives as a matter of course (Alderfer 1972, Maslow 1954).

Kahn undertook a qualitative study on the psychological conditions of personal engagement and disengagement by interviewing summer camp counsellors and staff at an architecture firm about their moments of engagement and disengagement at work. He defined disengagement as the decoupling of the self within the role, involving the individual withdrawing and defending themselves during role performances (May *et al* 2004). Disengaged employees displayed incomplete role performances and were effortless, automatic or robotic (Kahn 1990). Kahn found that there were three psychological conditions related with engagement or disengagement at work: meaningfulness, safety, and availability. He argued that people asked themselves three

fundamental questions in each role situation: (i) How *meaningful* is it for me to bring myself into this performance; (ii) How *safe* is it to do so? and (iii) How *available* am I to do so? He found that workers were more engaged at work in situations that offered them more psychological meaningfulness and psychological safety, and when they were more psychologically available.

In the only study to empirically test Kahn's (1990) model, May *et al* (2004) found that meaningfulness, safety, and availability were significantly related to engagement. They also found job enrichment and role fit to be positive predictors of meaningfulness; rewarding coworker and supportive supervisor relations were positive predictors of safety, while adherence to co-worker norms and self-consciousness were negative predictors.

Resources were a positive predictor of psychological availability, while participation in outside activities was a negative predictor. Overall, meaningfulness was found to have the strongest relation to different employee outcomes in terms of engagement.

An alternative model of engagement comes from the 'burnout' literature, which describes job engagement as the positive antithesis of burnout, noting that burnout involves the erosion of engagement with one's job (Maslach *et al* 2001). According to Maslach *et al*, six areas of work-life lead to either burnout or engagement: workload, control, rewards and recognition, community and social support, perceived fairness and values. They argue that job engagement is associated with a sustainable workload, feelings of choice and control, appropriate recognition and reward, a supportive work community, fairness and justice, and meaningful and valued work. Like burnout, engagement is expected to mediate the link between these six work-life factors and various work outcomes. May *et al's* (2004) findings support Maslach *et al's* (2001) notion of meaningful and valued work being associated with engagement, and therefore it is important to consider the concept of 'meaning'.

According to Holbeche and Springett (2003), people's perceptions of 'meaning' with regard to the workplace are clearly linked to their levels of engagement and, ultimately, their performance. They argue that employees actively seek meaning through their work and, unless organization's try to provide a sense of meaning, employees are likely to quit. The research findings suggest that many people experience a greater search for meaning in the workplace (70 per cent) than in life in

general. There are numerous possible reasons for this, for example, it may be because people generally spend longer at work than on other parts of their lives. Holbeche and Springett (2003) argue that high levels of engagement can only be achieved in workplaces where there is a shared sense of destiny and purpose that connects people at an emotional level and raises their personal aspirations.

Kahn's (1990) and Maslach *et al's* (2001) models indicate the psychological conditions or *antecedents* that are necessary for engagement, but they do not fully explain why individuals will respond to these conditions with varying degrees of engagement. According to Saks (2006), a stronger theoretical rationale for explaining employee engagement can be found in social exchange theory (SET). SET argues that obligations are generated through a series of interactions between parties who are in a state of reciprocal interdependence. A basic principle of SET is that relationships evolve over time into trusting, loyal, and mutual commitments as long as the parties abide by certain 'rules' of exchange (Cropanzano and Mitchell 2005). Such rules tend to involve reciprocity or repayment rules, so that the actions of one party lead to a response or actions by the other party. For example, when individuals receive economic and socio-emotional resources from their organisation, they feel obliged to respond in kind and repay the organisation (*ibid*). This is consistent with Robinson *et al's* (2004) description of engagement as a two-way relationship between the employer and employee.

Saks (2006) argues that one way for individuals to repay their organisation is through their level of engagement. In other words, employees will choose to engage themselves to varying degrees and in response to the resources they receive from their organisation. Bringing oneself more fully into one's work roles and devoting greater amounts of cognitive, emotional, and physical resources is a very profound way for individuals to respond to an organisation's actions, as suggested earlier by the work of Kahn (1990). Thus, employees are more likely to exchange their engagement for resources and benefits provided by their organisation.

In summary, SET provides a theoretical foundation to explain why employees choose to become more or less engaged in their work and organisation. In terms of Kahn's (1990) definition of engagement, employees feel obliged to bring themselves more deeply into their role performances as repayment for the resources they receive from their organisation. When the organisation fails to provide these resources,

individuals are more likely to withdraw and disengage themselves from their roles. Thus, the amount of cognitive, emotional, and physical resources that an individual is prepared to devote in the performance of their work role may be contingent on the economic and socio-emotional resources received from the organization

2.3.4 Antecedents and Consequences of Engagement

In recent years, more studies have begun to look at the antecedents and *consequences* of employee engagement. For example, Saks (2006) found a distinction between two types of engagement, job engagement and organization engagement, which he argues are related but distinct constructs. In addition, he argued that the relationships between both job and organization engagement, and their antecedents and consequences differed in a number of ways, suggesting that the psychological conditions that lead to job and organization engagement, as well as their consequences, are not the same. Whilst this study has provided a new insight into employee engagement, it is important to note the survey was completed by a small sample of 102 employees in Canada. Therefore, the results may not be generalizable to employees in the UK, for example, as definitions of engagement vary in different countries and national differences may play a part in what leads to engagement in the first place.

Nevertheless, it adds a new insight into the existing body of literature as it is the first study to make a distinction between job and organization engagement and to measure a variety of antecedents and consequences of job and organization engagement; previous research has focused primarily on engagement at the individual level.

Practitioners and academics tend to agree that the consequences of employee engagement are positive (Saks 2006). There is a general belief that there is a connection between employee engagement and business results; a meta-analysis conducted by Harter *et al* (2002) confirms this connection. They concluded that, "...employee satisfaction and engagement are related to meaningful business outcomes at a magnitude that is important to many organizations". However, engagement is an individual-level construct and if it does lead to business results, it

must first impact individual-level outcomes. Therefore, there is reason to expect employee engagement is related to individuals' attitudes, intentions, and behaviour. Although neither Kahn (1990) nor May *et al* (2004) included outcomes in their studies, Kahn (1992) proposed that high levels of engagement lead to both positive outcomes for individuals, (e.g. quality of people's work and their own experiences of doing that work), as well as positive organizational-level outcomes (eg the growth and productivity of organizations).

The Gallup Organization (2004) found critical links between employee engagement, customer loyalty, business growth and profitability. They compared the scores of these variables among a sample of stores scoring in the top 25 per cent on employee engagement and customer loyalty with those in the bottom 25 per cent. Stores in the bottom 25 per cent significantly under-performed across three productivity measures: sales, customer complaints and turnover. Gallup cites numerous similar examples. The International Survey Research (ISR) team has similarly found encouraging evidence that organizations can only reach their full potential through emotionally engaging employees and customers (ISR 2005).

In an extension of the Gallup findings, Ott (2007) cites Gallup research, which found that higher workplace engagement predicts higher earnings per share (EPS) among publicly-traded businesses. When compared with industry competitors at the company level, organizations with more than four engaged employees for every one actively disengaged, experienced 2.6 times more growth in EPS than did organizations with a ratio of slightly less than one engaged worker for every one actively disengaged employee. The findings can be considered as reliable as the variability in differing industries was controlled by comparing each company to its competition, and the patterns across time for EPS were explored due to a 'bouncing' increase or decrease which is common in EPS (Ott 2007).

Whilst this research does not show investors and business leaders exactly what organizations are doing on a day-to-day basis to develop engaged employees, the findings do demonstrate differences in overall performance *between* companies, and Gallup's meta-analyses present strong evidence that highly engaged workgroups *within* companies outperform groups with lower employee engagement levels, and the recent findings reinforce these conclusions at the workgroup level. The meta-analysis study shows that top-quartile business units have 12 per cent higher customer

advocacy, 18 per cent higher productivity, and 12 per cent higher profitability than bottom-quartile business units. In contrast, bottom-quartile business units experience 31 per cent to 51 per cent more employee turnover and 62 per cent more accidents than those in the top quartile of workplace engagement. This research into EPS provides a degree of proof that employee engagement correlates to crucial business outcome

2.4 Human Capital Management

Human capital management has become an important aspect in relation to the development and sustainment of organizational competitive advantage. Organizations have begun to recognize that a great deal of the added value created by the organization is becoming ever more dependent on assets other than physical capital (machines, trucks, vans etc.). There has been a shift towards placing an importance on the value which intellectual capital adds to the organization. The growth in recognition of these intangible assets has stimulated the academic literature, with contributions from writers such as Mayo (2001), Miller and Wurzburg (1995) and Sveiby (1997) to name a few.

It is therefore important to note that there are various definitions of human capital management. This differences is due to the various way in which the concept of Human capital management is viewed (Ivo, 2008). Hence there are many different definitions. Armstrong (2006) defined human capital management as strategic since its focuses towards the achievement of organization goals, and has an impact on all employees at an organization. Bratton & Gold (2007), defined human capital management as a strategic tool to determine the relation among employees which emphasize on how to get benefits from employee's ability to achieve the sustainable competitive advantage. However, even with the different definitions, it is important to note that Human capital management should be in line with the goals and objectives of an organization, and has an impact on all the employees of the organization, hence termed Strategic human capital management. In line with this notion, Abecker & Biesalski, (2005), stated that efficient and effectiveness of human capital has an impact on the employee behavior and organizational performance. This impact in felt in the way of human resource planning, human capital requirements analysis, human resource asset analysis, human capital development and change management

According to Briscoe & Schuler (2004). to achieve a competitive advantage, managers should define human resource's roles and tasks accordingly with the main objectives of the organization. These objectives depend on the organizations structure, design, employee job description, employee motivation, employee job satisfaction, employee and management commitment, which in turn leads to higher organizational efficiency and performance (Aswathappa, 2005). And all these can have an effect on the employee's engagement or disengagement with the organization. The following subsections would discuss on these two phenomenon (employee engagement and disengagement) as it concerns the present research

2.4.1 Concept of Employee Engagement

Employee engagement has been defined differently by different scholars and HR practitioner.

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

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

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

May, Gilson, and Harter (2004) conducted a field study in a large Midwestern insurance agency. Using a survey format they explored why some individuals fully engage in their work while others become alienated or completely disengaged. Results

of this study confirmed that engagement differs from simple job satisfaction. They agreed that engagement actually entails the active use of emotions and behaviors in addition to cognitions. Overall, study results supported Kahn's earlier work in that psychological meaningfulness and safety were positively linked to employee investment in work roles.

Additionally, job enrichment and role fit were positively related to psychological meaningfulness. Having a supportive supervisor and good relations with co-workers were related to feelings of psychological safety on the job. Harter et al. (2002) completed a meta-analysis of prior studies on employee engagement that were conducted by the Gallup Organization. The researchers examined the relationship between employee satisfaction-engagement, and the business-unit outcomes of customer satisfaction, productivity, profit, employee turnover, and accidents. Harter et al. (2002) noted that one of the defining elements of employee engagement is the actionable quality of the measured concepts. In other words, employee engagement is related to meaningful business outcomes and many of the core issues of engagement are ones over which managers can have substantial influence. High levels of satisfaction and employee engagement were positively correlated with customer satisfaction, profitability, productivity, and safety outcomes. On average, business units that had employee scores in the top quartile range on the engagement scale had a one to four percent higher profitability. Additionally, businesses who scored in the top quartile on engagement boasted lower turnover percentage rates (Harter et al., 2002).

In a 2006 cross national study, Schaufeli, et al (2006) surveyed 14,521 employees in various occupations, using a self-report questionnaire that measured work engagement. The researchers found that engagement is not only the opposite of burnout but that it has its own characteristics, which were labeled vigor, dedication, and absorption. The researchers concluded that engagement is similar to burnout in that it is a stable, non-transient state that increases slightly with age. 20 Additionally, blue collar workers were less engaged than managers, educators, and police officers. Engagement did not seem to differ systematically between genders (Schaufeli et al., 2006).

Saks (2006) surveyed 102 employees in a variety of industries and in one study tested a model of antecedents and consequences of job and organizational

engagement. Saks (2006) differentiated job engagement from organization engagement and concluded that organizational engagement is a person's attitude and attachment to his/her company, whereas employee engagement is the degree to which an employee is actually absorbed in the performance of his/her own individual job role. In sum, employee engagement can be said that is related to mental processes of perception, memory, judgment, and reasoning (which is called cognitive); relating to mood, emotion, feeling and sensibilities (which is called affective), and behavioral.

2.4.2 Concept of Employee Disengagement

Employee Disengagement can be regarded as the decoupling of the psychological self from the work role and involves people retracting and guarding themselves during role performances, Kahn (1990) and Hochschild (1983). Employees that are not engaged are in effect "checked out". They float through their work day, putting time, not energy or passion into their work. According to Robinson (2006) every day, disengaged workers undermine what their engaged workers accomplish. So it seems as though disengagement not only affects the individual who is disengaged, but the rest of the organization populous also.

Disengaged employees exhibit piecemeal role performances characterized by effortless, programmed or robotic actions (Kahn 1990). As a result of his study Kahn discovered that three psychological conditions which were connected to engagement or disengagement in the work environment: 1) meaningfulness, safety and availability. Kahn (1990) argued that employees propose to themselves three fundamental questions within the context of each role situation:

1. How meaningful is it for me to bring myself into this performance?
2. How safe is it to do so?
3. How available am I to do so?

Kahn (1990), from his research, found that the engagement level of individual employees was enhanced in circumstances where increased psychological significance and psychological safety were offered combined with their psychological availability.

2.5 Employee Engagement in Context

It is worth considering how employee engagement levels vary across occupations, industries and globally. Much of the available international evidence

comes from Gallup, which has conducted Employee Engagement Index surveys in many countries. We would argue that cross-national comparisons of levels of employee engagement should be treated with some caution due to cultural and definitional differences. However, it is interesting to explore some of the findings of Gallup's surveys.

In 2005, a survey conducted in Thailand revealed only 12 per cent of Thailand's employee population are 'engaged', 82 per cent are 'actively disengaged' and 6 per cent disengaged.

Similar Gallup studies have found the levels of engagement in Australia, China, Japan, New Zealand and Singapore to be 18 per cent, 12 per cent, 9 per cent, and 17 per cent.

The study of employee engagement at a global level is worthwhile given the increasing number of multi-national organizations and use of outsourcing. It is important to consider whether or not the same engagement techniques work for employees in countries with different economies and cultures. In 2004, International Survey Research (ISR), the international research consultancy, completed a major survey into the nature and causes of employee engagement and how companies can improve engagement to enhance business performance. The survey was conducted across ten of the world's largest economies -

Australia, Brazil, Canada, France, Germany, Hong Kong, the Netherlands, Singapore, the UK and the USA, involving nearly 160,000 employees from across a broad spectrum of industries. The survey highlights large variations among the 10 countries in terms of employees' overall commitment to, and involvement with their employers. For example, in Brazil and in the US, 75 per cent of employees were found to be engaged with their companies, whilst only 59 percent of French employees were engaged. The research demonstrates that one size does not fit all when it comes to motivating employees to engage with their company and work. For example, in Australia, Singapore, and Hong Kong, the extent to which company management is respected emerged as an influential determinant of engagement. In the UK and US, on the other hand, a more important factor was the degree to which organization's provide long-term employment and career opportunities.

Evidence from the USA (Johnson 2004) indicates roughly half of all Americans in the workforce are not fully engaged or they are disengaged.

Furthermore, a Global Workforce Survey conducted in 2005 by consultancy firm Towers Perrin found disconcerting findings, again in the USA (Seijts and Crim 2006). The survey involved about 85,000 people who worked full-time for large and mid-sized firms; it found only 14 per cent of all employees worldwide were highly engaged in their job. The survey also indicated that on a country-by country basis, the percentages of highly engaged, moderately engaged, and actively disengaged employees varied considerably. Moreover, the results showed some interesting, perhaps counter-intuitive, findings. For example, Mexico and Brazil have the highest percentages of engaged employees, while Japan and Italy have the largest percentages of disengaged employees.

It is argued that global research will help employers gauge their employees' level of engagement against the norm for their own country (ISR 2004). Previous research (Hofstede, 1997) has shown that organizations must adapt to different cultural values and norms when it comes to attracting, motivating and retaining staff. ISR's (2004) study identified four issues as global factors in managing engagement; career development, leadership, empowerment, and image (which refers to the company's image to customers and the public). Career development was found to influence engagement for employees in each of the ten countries studied, with the key message being organizations with high levels of engagement provide employees with opportunities to develop their abilities, learn new skills, acquire new knowledge and realize their potential. The logic behind this is that when companies invest in their people in this way, their people invest in them.

The research also identified the need for empowerment; employees want to be involved in decisions that affect their work. It was found that leaders of high-engagement workplaces do not create fear or blame cultures, where employees are reluctant to express their ideas or exercise their initiative. Instead, they create a trusting and challenging environment, in which employees are encouraged to input and innovate to move the organization forward.

A useful comparison between a range of demographic segments, from job level (senior executive, director/manager, supervisor/foreman, specialist/professional, non-management salaried and non-management hourly) to industry category (non-profit, high tech, heavy manufacturing, insurance, pharmaceuticals, hospital and finance/banking) was carried out by researchers at Towers Perrin (2003), who found a

pattern across the segments. Each group had only a small group of highly engaged respondents, a slightly larger disengaged group, with the majority in the "moderately engaged group".

However, in each case there was one exception to the pattern that is worth noting; senior executives were found to be more highly engaged than any other group and were less likely to be disengaged. Cynics might suggest this may be linked to income level and, while this certainly emerged as important in this study, it was not the only contributory factor. More important were role characteristics, such as challenge, authority, autonomy, stimulation, access to information, resources and growth opportunities, that research has shown are linked to high levels of engagement. The lowest levels of engagement have been found among hourly workers, who arguably have the least control or influence over their jobs and work experience.

Across industries, engagement is substantially higher in the non-profit sector than in every other sector looked at by Towers Perrin (2003). This would appear logical, given that people tend to be drawn to this sector through a sense of mission, rather than from any prospect of high pay or wealth accumulation. This finding is also consistent with the numerous definitions and views surrounding engagement, which identifies a 'passion for work' as being a key component factor (Truss et al 2006, Brim 2002 and Holbeche and Springett 2003). Indeed, the fact that the sector is traditionally not a high-paying one, relative to the others studied, emphasizes the fact that it is not possible to 'buy' engagement in the conventional sense by offering better than average monetary awards. Conversely, in another study comparing the public and private sectors, Truss et al (2006) found that group in the public sector had a more negative experience of work, they reported more bullying and harassment than those in the private sector, and were less satisfied with the opportunities they had to use their abilities.

This reinforces the findings of previous studies and underlines the scale of the challenge facing public sector managers in particular, and the negative impact that bullying and harassment have on employees and their levels of engagement (Emmott 2006).

Employee engagement has been the focus of growing interest in recent years as research in positive organizational phenomena has expanded. Establishing an

engaged workforce is now a high priority for many organizations in both the private and public sectors. Many employers feel that engaged employees outperform others by showing heightened interest in their work and being prepared to ‘go the extra mile’ for their organization. Employees also benefit, as some studies have shown that engaged employees see their work as more meaningful and fulfilling.

With the rewards for strong engagement being mutually shared between employer and employee, it is unsurprising that so many organizations are interested in raising the engagement level of their workforce. So far, there has been little systematic research into the dimensions, antecedents and outcomes of engagement in organizations. However, there have been some large-scale surveys that have measured levels of engagement across international contexts, and these provide a general gauge of engagement in different national and industrial climates. For example, International Survey Research (ISR) conducted a large cross-industry survey across a range of countries (ISR 2004). They concluded that engagement varies across the surveyed countries, with developing countries, such as Brazil, scoring higher than many developed nations, like France. Surveys by Gallup have suggested that engagement levels are low in the UK and internationally (The Gallup Organization 2004). The 2004 sample, for instance, recorded that only 12% of Thailand’s labour force is engaged.

Most recently, some notable studies have focused explicitly on the UK. Truss et al (2006) conducted a survey of working life in the UK, of which engagement was a core consideration. Using a cross-section of UK workers from various industries, they concluded that only 35% of people are engaged overall. These studies suggest there is much scope for increasing engagement in UK companies and public bodies. If we are to understand how engagement might be managed in organizations, it is essential that we look at how it operates at the level of individuals and groups. A number of commentators in the academic literature have equated engagement with well-established psychological concepts. For example, it has been linked to the notion of ‘flow’ where the worker becomes totally immersed in an activity (Csikszentmihalyi 1990). It has also been discussed in relation to how individuals come to perceive ‘meaning’ and the emotional drive or ‘passion’ towards a goal or action.

At the group level, social exchange theory (SET) is an interesting perspective that has been used to describe how engagement may work in teams. SET works on the

notion of obliged reciprocity; in other words, people are naturally good at social scorekeeping and are inclined to return favours. Over time, reciprocal interaction can build into trusting and loyal commitments. This works as one explanation for how engagement can become embedded into work teams.

Critics have suggested that engagement is merely a relabelling of well-established management constructs such as commitment, organizational citizenship behaviour (OCB), job involvement and job satisfaction. Indeed, previous studies have often found correlations between engagement and measures such as commitment and other concepts. However, even at first glance, engagement suggests a dynamic workplace relationship that most of the other concepts ignore. If we think of the moving parts of a machine, engagement is the interlocking of several components and their synchronous motion.

It is a concept that places flexibility, change and continuous improvement at the heart of what it means to be an employee and an employer in a twenty-first-century workplace. With this in mind, it is reasonable to expect that engaged employees are likely to be committed to, and satisfied with, their work. But conversely, it is not reasonable to expect that all satisfied and committed employees will be actively engaged in their work.

2.6 Employee Engagement and the Psychological States

May et al (2004) was the first empirical study to test Kahn's (1990) model. May et al (2004) establish that, in line with Kahn's study, meaningfulness, safety and availability is strongly positively correlated to engagement? Job enrichment (the development of increasing intrinsic job elements and down-grading attention of extrinsic factors, and role fit to be positively correlated with meaningfulness; rewarding co-worker and encouraging supervisor relations were positively correlated with safety.

Conversely, loyalty to worker norms and self-consciousness were negative predictors of safety. The amount of resources available to the individual were positively correlated with psychological availability, on the other hand participation in outside activities was negatively correlated with psychological availability.

Meaningfulness was found to be the most influential psychological dimension in determining engagement levels among individuals in the workplace.

From researching the literature, an alternative model of engagement has emerged from the “burnout” literature. Job engagement is perceived as a positive anti-thesis of burnout, as according to Maslach et al (2001), individual burnout encompasses the attrition of engagement with one’s job/role. Maslach et al (2001) propose six determinable areas in the work-life dichotomy, which can result in either burnout or engagement: workload, control, rewards and recognition, community and social support, perceived fairness and values. Maslach et al (2001) constructed a connection between increased job engagement and the management of the six work-life areas. Engagement is facilitated by, a sustainable workload which challenges the individual without negatively impacting them mentally and/or physically.

Goal-setting theory (Locke 1968), can be utilized in relation to the achievement of realistic workloads in order to enhance engagement levels. Feelings of choice and control, suitable reward and recognition, the presence of a supportive work community, fairness and integrity and meaningful and appreciated work will foster personal engagement. May et al’s (2004) findings in relation to meaningful and valued work reiterated Maslach et al (2001) belief that meaningful and valued work is associated with engagement and thus the concept of “meaning” is an important consideration when looking at the engagement generation process. Individual employee’s perceptions of “meaning” are a pre-determinant of their engagement levels and ultimately their level of performance (Holbeche & Springett 2003).

Holbeche & Springett (2003) propose that employees pro-actively seeks out to clarify meaning within their work, organizations need to enable this clarification to take place or the employee will become actively disengaged and is likely to leave the organization. According to Holbeche & Springett (2003) high levels of employee engagement can only be facilitated through workplaces which are characterized by a common purpose, which links people at an emotional level and thus advances their personal hopes. From the research carried out by Kahn (1990), it has been established that there are specific psychological states which need to be active in order for engagement to occur. However, what Kahn does not fully explain is why individuals respond to these psychological conditions in a variety of ways.

Saks (2006) proposes a link between the differing reactions and resulting engagement levels in relation to the psychological states by looking through the lens of Social Exchange Theory (SET). The SET frame of reference consists of obligations

which are created via a cycle of interactions between individuals/groups that operate in a condition of mutual interdependence. Under the SET, the relationship will evolve over time, with trust, loyalty and mutual commitment increasing, on the condition that the “rules” of exchange are not breached. Under SET, these “rules” tend to be repayment rules, where the actions of one party cause the action/reaction of another party. This form of interaction supports Robinson et al’s (2004) explanation of employee engagement being characterized as a two-way relationship between employer and employee.

As previously mentioned under SET there are unspecified obligations within the employment relationship which can facilitate engagement. The psychological contract is an attempt by academics to develop a construct around which to place these implicit obligations and expectations. According to Fox in Mayo (2001) the employment relationship is shaped as much by social as well as economic exchanges. Levinson et al in May et al (2004) defines the psychological contract as, “a series of mutual expectations of which the parties to the relationship may not themselves be dimly aware, but which nonetheless govern their relationship to each other”.

According to Schein in Frank et al (2004) employee dissatisfaction, alienation and by inference, employee disengagement comes from violations within the psychological contract, which takes the form of overt issues such as pay, working hours, and conditions of employment, which end up establishing the foundations of a negotiable agenda, rather than the psychological agenda from which they were initiated.

As previously mentioned, engagement within the employment relationship, under SET is characterized by mutual interdependence. However, according to Cullinane & Dundon (2006), the employment relationship is characterized as a relationship of subordination linked to conditions of interest conflict. Under capitalism, the employee is perceived as a resource to be utilized to its full capacity, with little or no scope for co-decision making. As a result of this stance on the employment relationship, the interests of the employee are subordinate to that of the employer, resulting in a lack of trust by employees towards the employer. This lack of trust will obstruct the facilitation of the engagement process. Due to the current economic climate, competitive pressure on employers has increased in relation to reducing labour and production costs, which means that employers often find

themselves in a situation where it is necessary to facilitate the longevity of the organization, resulting in decisions that have a negative impact upon employees. Unfortunately, employer distrust and suspicion of management actions ensues and the employment relationship is characterized by apathy, begrudging compliance and resistance (Cullinane & Dundon 2006).

Saks (2006) proposes that an individual may reimburse their organization via their level of engagement. Employees can decide to engage themselves at a higher level due to the resources which are invested in them by the organization. This reimbursement will be displayed by the employee in the form of increased cognitive, physical and emotional resources to achieve organizational goals and objectives (Kahn 1990).

The meaning of employee engagement is ambiguous among both academic researchers and among practitioners who use it in conversations with clients. We show that the term is used at different times to refer to psychological states, traits, and behaviors as well as their antecedents and outcomes. Drawing on diverse relevant literatures, we offer a series of propositions about (a) psychological state engagement; (b) behavioral engagement; and (c) trait engagement. In addition, we offer propositions regarding the effects of job attributes and leadership as main effects on state and behavioral engagement and as moderators of the relationships among the 3 facets of engagement. We conclude with thoughts about the measurement of the 3 facets of engagement and potential antecedents, especially measurement via employee surveys.

Organizations want their employees to be engaged with their work, exhibiting proactive behavior, initiative, and responsibility for personal development. Existing literature has a dearth of studies that evaluate all the three key variables that lead to optimal employee performance—critical psychological states (CPSs), work engagement, and personal outcomes. The present study attempts to fill that gap by linking the variable CPSs (which measures experienced meaningfulness, responsibility, and knowledge of results) with the other two. and adopted standardized, valid, and reliable instruments to measure their work engagement, CPSs, and personal outcomes. Analysis was done using structural equation modeling (SEM). Findings indicated that CPSs significantly moderate the relationship between personal outcomes and work engagement.

2.7 Engagement and Individual Differences

Here, we turn our attention to how engagement levels may be linked to individual differences by examining literature from the psychology field.

There are various and conflicting definitions of employee engagement in the psychological literature. Some definitions claim that employee engagement is something that is *produced by* aspects in the workplace (as suggested by McCashland 1999, Miles 2001 and Harter *et al* 2003), while others assert that it is something that the individual *brings to* the workplace (as suggested by Harter *et al* 2002 and Goddard 1999). Extraneous variables such as individual differences may not be trivial and could have significant effects (Ferguson 2007).

There is much evidence in the literature to support the notion that individual differences impact on work performance. Kahn (1990), for instance, argued that psychological differences may impact on individuals' ability to engage or disengage in their role performance, just as they shape a person's ability and willingness to be involved or committed at work. Accordingly, people would engage differently "given their experiences of psychological meaningfulness, safety and availability in specific situations" (Kahn 1990:718).

For example, when people experience situations as unsafe, it is a matter of individual difference what coping strategies they deploy, and the extent to which they engage or disengage (Portello 1996).

Moreover, it is argued that individual differences play a vital role in determining an employee's potential level of engagement (Robinson 2006). The process of perception is a key factor in individual behaviour. Buchanan and Huczynski (2004:215) define perception as "the dynamic psychological process responsible for attending to, organizing and interpreting sensory data". To a large extent, perception relates to the way in which individuals make sense of their environment and interpret and respond to the events and people around them.

Equally, it is important to emphasize that each individual *receives* information differently.

This is because individuals do not receive information about what is happening around them passively and dispassionately or in the same way as others. According to Robinson (2006) individuals categorize and make sense of events and situations according to their own unique and personal frame of reference, which reflects their

personality, past experiences, knowledge, expectations and current needs, priorities and interests.

Personality is a key influence on the process of perception. Bowditch and Buono (2001:46) suggest that, “our personality acts as a kind of perceptual filter or frame of reference which influences our view of the world”. Therefore, it is argued that it is our personal perception of our social and physical environment that shapes and directs how engaged an employee is, rather than some objective understanding of an external reality.

It has also been argued that employee engagement is related to emotional experiences and wellbeing (May *et al* 2004). Despite this, studies of organizations often overlook the effects on behaviour of feelings and emotions. Emotions are a natural feature of our psychological make-up and affect not only individuals’ personal lives but also their behaviour at work.

Wilson (2004:99-100) argues that “feelings connect us with our realities and provide internal feedback on how we are doing, what we want and what we might do next ... Being in organizations involves us in worry, envy, hurt, sadness, boredom, excitement and other emotions.”

The Towers Perrin (2003) study of engagement identified both emotions and rationality as core components. They found that emotional factors are linked to an individual’s personal satisfaction and the sense of inspiration and affirmation they get from their work and from being a part of their organization. For example, a key element here is having a sense of personal accomplishment from one’s job. By contrast, the rational factors generally relate to the relationship between the individual and the broader corporation, for instance the extent to which employees understand their role and their unit’s role, relative to company objectives. It was found that scores for key aspects of rational engagement (such as I ‘understand how my role relates to company goals and objectives’ and ‘I am willing to put in a great deal of effort beyond what is normally expected’) are generally higher than those for emotional engagement (such as, I ‘would say my company is a good place to work’ and ‘am proud to work for my company’).

However, looking deeper into the more emotional aspects of working, a different picture emerges. Just under two-thirds of the respondents to the Towers Perrin survey agreed their company is a good place to work, and even fewer (half of

the respondents) agreed their company inspires them to do their best work. According to research, this is where the impact of employees' dissatisfaction is found, with various aspects of their work experience, such as overwhelming workloads, distant and non-communicative senior leadership, and the lack of developmental opportunities (Towers Perrin 2003). This shows the significance of management actions in determining levels of employee engagement.

According to Towers Perrin (2003), building engagement is a process that never ends and it rests on the foundation of a meaningful and emotionally enriching work experience.

Furthermore, it is not about making people happy, or even paying them more money. As important as pay and benefits are in attracting and retaining people, it was found they play a less important role in engaging people in their work. The elements found to be fundamental for engagement were strong leadership, accountability, autonomy, a sense of control over one's environment and opportunities for development; there are no substitutes for these fundamentals.

Personal relationships have also been found to impact work engagement. Recent research has found that family stress and work-related stress may be interlinked (Moore, 2004; Crabtree, 2005). A Gallup survey asked employees whether they had three or more days in the past month when work stress caused them to behave poorly with their family or friends. The findings indicated 51 per cent of actively disengaged employees say yes, compared to 35 percent of not-engaged employees and 18 per cent of engaged employees. Relationships in the workplace have also been found to have an impact on 'meaningfulness', which as we saw earlier, relates to engagement (May *et al* 2004). Locke and Taylor (1990) recognised the relatedness needs individuals possess, arguing individuals who have rewarding interpersonal interactions with their co-workers also should experience greater meaning in their work. Kahn

(1990) also suggested that client relations for some individuals (e.g. camp counsellors) may play a role in providing a meaningful work experience.

Gender differences have also been found, such that men experience enrichment from work to family, while women experience depletion from work to family. While women experience enrichment from family to work, men experience no links from family to work (Rothbard 1999). Furthermore, Gallup's US research

concluded that women tend to find more fulfilment in their jobs and are more engaged than men are (Johnson 2004). However, no clear difference was found between employee engagement levels of Thai men and women. Gallup did observe a difference between employees who are single and those who are married. It was found that married employees tend to have a higher level of engagement than those who are single. This suggests that these employees have come to a point where they are more settled in both their personal and professional lives. Another difference related to gender is that female managers or supervisors tend to have a higher percentage of actively disengaged workers than male managers do. Differences of health and personal values may also impact employee engagement such that some people 'work to live', while others 'live to work'. Differences of skills, ability and dispositional variables are also expected to impact levels of employee engagement. However, the most critical finding is that it is the way in which people are managed that has the most significant impact on engagement levels (Truss et al, 2006).

According to Robinson (2006), employee engagement can be achieved through the creation of an organizational environment where positive emotions such as involvement and pride are encouraged, resulting in improved organizational performance, lower employee turnover and better health. West (2005) argues that when individuals feel positive emotions, they are able to think in a more flexible, open-minded way and are also likely to feel greater self-control, cope more effectively and be less defensive in the workplace.

Emotions can also be related to wellbeing (Robinson 2006). Perhaps some of the clearest evidence on wellbeing and employee health is evident in the research of the Roffey Park.

Institute (RPI). The RPI shares the belief of various authors who suggest a potential causal relationship between a more holistic approach to management, one that takes account of emotions and people's deeper needs, and improved business performance. Cooper (1997) argues that research shows that if emotions are properly managed rather than shut out at work, they can drive trust, loyalty and commitment and great productivity gains by individuals, teams and organizations. Similarly, Heimer (1999) argues that innovation, increased profitability, good decision-making and effective performance are brought about by managed emotions (Holbeche and Springett 2003). Other studies have found clear links between work lives in individual

health (Crabtree, 2005). The importance of wellbeing is further reinforced by researchers at Towers Perrin (2003) who found that the most important driver of engagement was senior management's interest in employee wellbeing. However, only 42 per cent of respondents agreed their senior management showed an interest in this. Job categories that were more likely to be physically demanding, such as service workers, skilled tradesmen, semi-skilled workers and labourers, were isolated to enable a comparison to be made between physically demanding and non-physically demanding roles. Interestingly, the isolation of the categories yielded little difference, 43 per cent of workers in physically demanding roles stated their day-to-day jobs affect their physical health positively, as did 43 per cent of those more likely to have desk jobs.

Whilst isolating job categories revealed no apparent differences, significant differences were found between employees according to their engagement level, regardless of job type. Among engaged employees, a clear majority, 62 per cent, feel their work lives positively affect their physical health. That number drops to 39 per cent among not-engaged employees and 22 per cent among the actively disengaged. More disturbing is the fact that a majority of actively engaged employees (54 per cent) say they think their work lives are having a negative effect on their physical health. However, the numbers were slightly better concerning psychological wellbeing, with 52 per cent of employees stating their work lives positively affect their home lives; this number increased to 78 per cent for engaged employees. Research on wellbeing and engagement leads to the obvious question; what is the connection between engagement with one's job and one's health? Crabtree (2005) notes that correlation does not necessarily imply causality. It may be that those who feel their jobs positively affect their health are simply more optimistic overall and are therefore more likely to be engaged in their work. Nevertheless, this does not change the implication that engaged employees are more likely than others to view their jobs as healthy.

The experience of engagement has been described as a fulfilling, positive work-related experience and state of mind (Schaufeli and Bakker 2004), and has been found to be related to good health and positive work affect (Sonnetag 2003). These positive experiences and emotions are likely to result in positive work outcomes. An individual's expressed intention to leave their organization is generally regarded as an important measure of how they are feeling about their work. As noted by Schaufeli

and Bakker (2004), engaged employees are likely to have a greater attachment to their organization and a lower tendency to quit. The findings from Truss *et al* (2006) confirm this. They found that, overall, engaged employees are less likely to leave their employer. However, the longer employees stay with an organization the less engaged they appear to become (Ferguson 2007). The findings of the 2006 CIPD survey on engagement confirm this also (Truss *et al* 2006). Such findings emphasize the importance of continually advancing the understanding of engagement in the workplace.

Overall, research has found that employee engagement is on the decline and there is a deepening disengagement among employees today (Bates 2004 and Richman 2006). A study by the Gallup organization based on a large sample of the UK workforce (Buckingham 2001), identified three discrete groups of employees; engaged employees, non-engaged employees and actively disengaged employees. The findings indicated the majority (63 per cent) of employees fell into the ‘non-engaged employees’ category. These employees were characterized as being productive in the sense of doing what was asked of them but were not psychologically bonded to the organization. Furthermore, employees in this category were instrumentally motivated; they could be tempted by job vacancies elsewhere and were responsive to financial incentives, but cynical about higher-order appeals to loyalty. Of the sample, 17 per cent fell into the ‘engaged employees’ category; these employees were characterized as being loyal, committed, productive and task-effective. Actively disengaged employees formed the remaining 20 per cent of the sample and comprised employees who were physically present, but psychologically absent. These employees demonstrated behaviour and attitudes that were negative, unco-operative and even hostile. Clearly, these findings show that there is scope for employers to engage in positive management actions to raise engagement levels in their workforce.

According to Buckingham (2001:37) such employees were “intent on sharing with colleagues the many reasons for which they believe their organization is such a rotten place to work”.

The study also found that the longer employees remained with an organization, the more disengaged they became. Similarly, researchers at Gallup (Brim 2002) and Truss *et al* (2006) identified an inverse relationship between employee engagement, or the degree to which a worker is fulfilled by his or her job, and the length of service.

According to Brim (2002) such evidence indicates that for most employees, the first year on the job is their best and thereafter it is 'downhill'. One challenge for employers is to find ways of renewing employees' engagement levels through the duration of their employment.

This finding was surprising; Gallup researchers expected to find an increasing sense of belonging over time with new hires expected to be tentative. Clearly, the inverse relationship between engagement and length of service suggests a disconnection between how organisations intend to treat their workers and how workers feel about their jobs. Brim (2002) argues instead of making the most of the strengths of employees, organisations continually remind employees of their shortcomings through training programmes that focus on fixing an employee's weaknesses, which in turn can lead to a disengaged workforce.

Many commentators argue that employee engagement is influenced not only by individual differences but also by socio-cultural factors (Ferguson 2007). The culture and climate of an organisation are expected to influence levels of engagement. Climate includes aspects such as systems and satisfaction with the organisation; culture includes aspects such as community

(Schein 1987). The use of outsourcing and virtual workstations and teams has increased dramatically in recent years. However, there is a need for future research to establish exactly how such changes in climate and culture affect employee engagement.

In summary, the research suggests that despite the existence of common drivers of engagement, different groups and individuals are influenced by different factors. The literature in the field of individual differences is split. Some suggest that engagement is produced by aspects in the workplace, whilst others suggest that engagement is something that the individual *brings* to the workplace. Furthermore, it is argued that an individual's personality and perception, i.e. the way in which they view the world, shapes and directs how engaged an employee will be. Emotions and wellbeing have also been found to be related to engagement, however many studies overlook the importance of these two concepts. The individual differences which affect engagement also impact outcome variables such as intention to quit and create differences in how various groups, for example men and women, are engaged. Nevertheless, all the research has shown that there is much that employers can do to

raise levels of engagement, and that all employees, regardless of demographic factors, have the potential to be engaged in their work.

2.7.1 Engagement vs Other Constructs

It would appear that there are sufficient grounds for arguing that engagement is related to, but distinct from, other constructs in organisational behaviour (Saks 2006). For example, Robinson et al (2004) state that:

“...engagement contains many of the elements of both commitment and OCB But is by no means a perfect match with either. In addition, neither commitment nor OCB reflect sufficiently two aspects of engagement - its two way nature, and the extent to which engaged employees are expected to have an element of business awareness.”

Saks (2006) argues that organisational commitment also differs from engagement in that it refers to a person's attitude and attachment towards their organisation, whilst it could be argued that engagement is not merely an attitude; it is the degree to which an individual is attentive to their work and absorbed in the performance of their role. In addition, while OCB involves voluntary and informal behaviours that can help co-workers and the organisation, the focus of engagement is one's formal role performance rather than purely extra-role and voluntary behaviour. According to May et al (2004) engagement is most closely associated with the constructs of job involvement and 'flow' (Csikszentmihalyi 1990).

Job involvement is defined as 'a cognitive or belief state of psychological identification' (Kanungo 1982:342). This differs from engagement in that it is concerned more with how the individual employs him/her self during the performance of his/her job. Furthermore, whilst the focus of job involvement is on cognitions, engagement, according to most definitions, also encompasses emotions and behaviours.

The second related construct, the notion of 'flow', is defined as the "holistic sensation that people feel when they act with total involvement" (Csikszentmihalyi 1975:36). It is argued that individuals in a flow experience need no external rewards or goals to motivate them, as the activity itself presents constant challenges (ibid). However, whilst flow is primarily the cognitive involvement of the individual in an activity on a momentary basis, definitions of engagement imply a longer-term and more holistic involvement in work tasks (Kahn, 1990; Holbeche and Springett, 2003).

2.8 Engagement and Employee Involvement

Whilst some argue that employees are ‘engaged’ if they have a positive attitude towards work, others such as Purcell *et al* (2003) suggest that employee engagement is only meaningful if there is a more genuine sharing of responsibility between management and employees over issues of substance. The CIPD survey conducted by Truss *et al* (2006) suggests that strengthening *employee voice* can make a difference to organizational performance.

Employee voice can be defined as the ability for employees to have an input into decisions that are made in organisations (Lucas *et al* 2006). It has been argued that one of the main drivers of employee engagement is for employees to have the opportunity to feed their view upwards (Truss *et al* 2006). Their survey concluded that currently many organisations are not very successful in doing this and as a result many employees felt they lacked opportunities to express their views and be involved in decisions. On the other hand, researchers at Towers Perrin (2003) found employers are doing well in giving employees the freedom to make decisions relating to their jobs; 62 per cent of respondents argued they have an appropriate amount of decision-making authority to do their job well.

Research by Robinson (2006) suggests there is considerable evidence that many employees are greatly under-utilized in the workplace through the lack of involvement in work-based decisions. Employee involvement is seen as a central principle of ‘soft’ HRM, where the focus is upon capturing the ideas of employees and securing their commitment (Beardwell and Claydon 2007). The concept of employee involvement is strongly grounded in unitarist views of organizations, as it assumes that managers and employees have the same interests.

Critics have argued that employee involvement has management firmly in control and very limited real influence is given to employees. Hyman and Mason (1995) argue that employee involvement schemes “extend little or no input into corporate or higher level decision making” and generally do not entail any significant sharing of power and authority. Similarly, Blyton and Turnbull (2004:272) argue that employee involvement is ‘soft on power’. However, Purcell *et al*’s (2003) study found involvement in decisions affecting the job or work to be an important factor, which was strongly associated with high levels of employee engagement thus demonstrating it is an important driver.

In any work role or situation, employees have a degree of choice and discretion over how they perform their tasks and responsibilities (Robinson 2006). Furthermore, Appelbaum *et al* (2005) argue that, “in any formal system of work controls, some effort remains that workers contribute at their discretion”. The behaviours required by a work role can be specifically defined and offer little choice in the way the work is done as in the case of an assembly line operative required to routinely and repetitively perform a simple set of tasks.

Alternatively, work role behaviours can command the use of a considerable amount of discretion in the way the job is performed as in the case of senior managers (Robinson 2006).

According to Fox (1974) ‘Taylorism’ and ‘scientific management’ focused on limited discretion. Such methods of managing employees involved breaking down jobs into simple component elements, prescribing the way in which tasks were performed, providing close supervision and bureaucratic rules and regulations which served to create a mutually reinforcing cycle of low trust relations. Nevertheless, Fox (1974) argued that despite an elaborate external controlling structure being in place, no role can be totally diffuse or totally specific; even in jobs which are tightly controlled, some outstanding element of discretion always remains. In cases where employees have been given some control over how they do their jobs, positive benefits have appeared to emerge. For example, previous research in the UK has looked at job redesign and the impact this has had on engagement. In 1990 research was carried out by the University of Sheffield on factory workers and the number of injuries they reported given the differing levels of control over their work (Beardwell and Claydon 2007). It was found that, after the workers were given the training and freedom to make repairs to their own equipment rather than having to call a supervisor every time they experienced a problem, they reported fewer occupational injuries. This would suggest that workers who feel they have control over their destiny at work, a key aspect of employee engagement, are more likely to stay focused and less likely to make preventable mistakes.

Management control is thought to hinder an employees’ perception of safety, which has been found to be one of three psychological conditions affecting engagement at work (May *et al* 2004). According to Deci and Ryan (1987) management which fosters a supportive work environment typically displays concern

for employees' needs and feelings, provides positive feedback and encourage them to voice their concerns, develops new skills and solve work-related problems. Employees who are self-determined experience a "sense of choice in initiating and regulating one's own actions". As a result, these individuals are likely to feel safer to engage themselves more fully, try out novel ways of doing things and discuss mistakes (Edmondson 1999). Where management is supportive of an employee's self-determination, the trust between the two parties is enhanced (Deci and Ryan 1987). Given that managers have a tremendous influence on employee engagement, levels can vary widely from Work group to workgroup within one company (Ott 2007). Gallup's research has shown that leaders and managers play a key role in lifting engagement levels.

Research in the UK, based on an electronic survey of 2,000 employees from across the UK, found that only 35 per cent of employees were actively engaged in their work (Truss et al 2006).

A significant majority had a fairly low opinion of their senior managers, with only a third seeing them as trustworthy. The research clearly shows that whilst senior managers can make a real difference to people's working lives and performance, many have issues around visibility, communication and employee involvement.

Robinson et al (2004) identified key behaviours, which were found to be associated with employee engagement. The behaviours included belief in the organisation, desire to work to make things better, understanding of the business context and the 'bigger picture', being respectful of and helpful to colleagues, willingness to 'go the extra mile' and keeping up to date with developments in the field. Furthermore, the research found that employee engagement was closely linked to feelings and perceptions around being valued and involved, and that the key drivers of engagement included effective leadership, two-way communication, high levels of internal co-operation, a focus on employee development, a commitment to employee wellbeing and clear, accessible human resources policies and practices to which managers at all levels were committed.

Recent research suggests that high-involvement work practices can develop the positive beliefs and attitudes associated with employee engagement, and that these practices can generate the kinds of discretionary behaviours that lead to enhanced performance (Konrad 2006).

High involvement workplaces use “a system of management practices giving their employees skills, information, motivation, and latitude and resulting in a workforce that is a source of competitive advantage” (Guthrie 2001).

According to Lawler and Worley (2006) for a high-involvement work practice to be effective and for it to have a positive impact on employee engagement, employees must be given *power*. They argue this will lead to employees having the ability to make decisions that are important to their performance and to the quality of their working lives, thus engaging them in their work. Furthermore, Lawler and Worley (2006) contend that power can mean a relatively low level of influence, as in providing input into decisions made by others or it can mean having final authority and accountability for decisions and their outcomes. Involvement is maximised when the highest possible level of power is pushed down to the employees that have to carry out the decision, resulting in gaining the maximum level of engagement possible from employees.

Purcell *et al's* (2003) study found a number of factors to be strongly associated with high levels of employee engagement. The one thing all of these factors had in common was that they were connected with an employee's involvement in a practice related to their work. For example, effective communications was found to be a factor as engagement levels were affected by the amount of information employees received about how well the company was performing and how they contributed to the company achieving its business objectives.

Furthermore, employees having involvement in decisions' affecting their job or work was also associated with high levels of engagement.

Clearly employee engagement also depends on the manager or supervisor. Cufaude (2004) argues that when managers employ a philosophy of 'servant-leadership', whereby a manager's primary role is in supporting and serving those around them, the environment becomes 'highly engaged'. Soltis (2004) argues in order to create a highly engaged environment managers must be engaged; “if managers aren't engaged its unlikely employees will respond to any efforts to engage them” (p2). Research has demonstrated that employee engagement tends to be based on factors such as the relationship they have with their managers (Blizzard 2003). Yet other theorists claim that employee engagement depends on offering empowerment and that jobs should fit employees' interests (Lloyd 2004 and MacDonald 2002).

In summary, the literature surrounding employee involvement suggests that the root of employee disengagement is poor management, whereby employees do not have good working relationships with their managers and are denied the opportunity to communicate and have some power in decision-making, let alone receive information from their managers.

Employees are in need of managers who care and who are seen to be committed to their organisation. Only then can managers lure employees into putting discretionary effort into their work. However, the problem is that managers themselves need to be engaged before they can engage their subordinates; it is evident that levels of engagement must rise in management before they can be expected to rise in employees given the impact management can have on employees.

2.8.1 Conceptualizing Employee Engagement

One of the first challenges presented by the literature is the lack of a universal definition of employee engagement. Kahn (1990:694) defines employee engagement as “the harnessing of organization members’ selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances”.

The cognitive aspect of employee engagement concerns employees’ beliefs about the organisation, its leaders and working conditions. The emotional aspect concerns how employees feel about each of those three factors and whether they have positive or negative attitudes toward the organisation and its leaders. The physical aspect of employee engagement concerns the physical energies exerted by individuals to accomplish their roles.

Thus, according to Kahn (1990), engagement means to be psychologically as well as physically present when occupying and performing an organisational role.

Most often employee engagement has been defined as emotional and intellectual commitment to the organisation (Baumruk 2004, Richman 2006 and Shaw 2005) or the amount of discretionary effort exhibited by employees in their job (Frank et al 2004).

Although it is acknowledged and accepted that employee engagement is a multi-faceted construct, as previously suggested by Kahn (1990), Truss et al (2006)

define employee engagement simply as ‘passion for work’, a psychological state which is seen to encompass the three dimensions

of engagement discussed by Kahn (1990), and captures the common theme running through all these definitions.

The existence of different definitions makes the state of knowledge of employee engagement difficult to determine as each study examines employee engagement under a different protocol.

In addition, unless employee engagement can be universally defined and measured, it cannot be managed, nor can it be known if efforts to improve it are working (Ferguson 2007).

This highlights the problems of comparability caused by differences in definition.

Furthermore, whilst it is acknowledged that employee engagement has been defined in many different ways, it is also argued the definitions often sound similar to other better known and established constructs such as ‘organisational commitment’ and ‘organisational citizenship behaviour’ (OCB) (Robinson et al 2004).

Thus Robinson et al (2004) defined engagement as ‘one step up from commitment’. As a result, employee engagement has the appearance of being yet another trend, or what some might call “old wine in a new bottle”.

2.9 Consequences of Engagement

Saks (2006), proposed a split to the concept of engagement into two distinct parts: (1) job engagement and (2) organisation engagement, which he puts forward are related but separate constructs. He argues that the relationship between job and organisation engagement vary in numerous ways, resulting in the inference that the psychological states which result in the two aforementioned forms of engagement and their consequences are not the same.

The consequences of employee engagement, which have been discussed by academics and practitioners tends to be positive. It has been proven that a highly engaged workforce can deliver increased financial performance results for an organisation (Harter et al 2002). This proof is evident from the previous example given by Sears.

According to the Gallup's Q12 Index (Frank et al 2004), a 0.10 increase in engagement (on a five point scale) is worth an estimated \$100,000 in incremental profit per store per year as seen in the case of electronics store Best Buy. Kahn (1990) didn't specifically mention the financial benefit to the organisation of possessing a highly engaged workforce. He did propose in his 1992 study that high engagement levels would produce positive consequences for the individual in the form of increased quality of work and the increased enjoyment of the individual 17 experience of doing the work.

A highly engaged workforce would also confer positive consequences to organisational level outcomes in the form of increased growth and productivity of the organisation (Kahn 1992). Research carried out by the International Survey Research (ISR) team and Gallup is positively correlated with the research of Harter et al (2002). Ott (2007) expands on the research findings of Gallup and comments on the relationship between increased engagement and the increase in earnings per share (EPS) among publically traded companies. Ott (2007) found that in publically traded companies, if there were four or more engaged employees for every one disengaged employee, the organisation would experience 2.6 times the growth than an organisation with had a ratio of less than 4:1 engaged versus disengaged employees.

From the meta-analysis carried out by Gallup (2004), it was discovered that, the top quartile organisations which have the previously mentioned 4:1 ratio or greater have, 12% higher customer support, 18% higher productivity and 12% higher profitability than the bottom quartile organisations. Conversely, the bottom quartile organisations, according to the Gallup (2004) meta-analysis experience 31%-51% more employee turnover and 62% more work related accidents than the organisations in the top quartile.

2.10 Importance of Employee Engagement

According to Ashok (2005) Engagement is important for managers to cultivate given that disengagement is central to the problem of worker's lack of commitment and motivation. Other research using a different resource of engagement (involvement and enthusiasm) has linked it to such variables such as employee turnover, customer satisfaction - loyalty, safety and to a lesser degree, productivity and profitability

criteria (Harter, Schmidt & Hayes, 2002). Further to that Vazirani (2007) also outlines some of the advantage of Engaged Employee as follows:

- Engaged employees will stay with the company, be an advocate of the company and its products and services, and contribute to bottom line business success.
- 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.
- Engaged Employee impact their attitude towards company's clients and thereby improve customer satisfaction and service levels.
- Engaged employees build 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.
- Engaged Employee make the employees effective brand ambassadors for the company.

According to Harter, Schmidt and Hayes (2002), a highly engaged employee will consistently deliver beyond expectations. In the work place research on employee engagement (Harter, Schmidt and Hayes, 2002) have repeatedly asked employee "whether they have the opportunity to do what they do best everyday" While one in five employees strongly agree with this statement. Those work units scoring higher on this perception have substantially higher performance.

Employee engagement is critical to any organization that seeks to retain valued employees. The Watson Wyatt consulting companies has been proved that there is an intrinsic link between employee engagement, customer loyalty and profitability. As organization going globalize and become more dependent on technology in a virtual working environment, there is a greater need to connect and engage with employee to provide them with an organizational "identity" (Vazirani, 2007)

2.11 Social Exchange Theory (SET)

The definition of employee engagement provides us an agreement that employee engagement is something that can be managed or enhanced or fostered by the organization. This can be well explained by the Social Exchange Theory (SET).

SET argues that obligations are generated through a series of interactions between parties who are in a state of mutual interdependence (Saks, 2006).

A basic tenet of SET is that relationships evolve over time into trusting, loyal, and mutual commitments as long as the parties abide by certain “rules” of exchange (Cropanzano & Mitchell, 2005). Hence, one way for individuals to repay their organization is through their level of engagement. That is, employees will choose to engage themselves to varying degrees and in response to the resources they receive from their organization. Bringing oneself more fully into one’s work roles and devoting greater amounts of cognitive, emotional, and physical resources is a very profound way for individuals to respond to an organization’s actions.

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

2.12 Drivers of Employee Engagement

According to Wellins, Berthal & Phelps (2005), the engagement drivers is the lead to the creation of an engaged workforce and environment. Once created the engaged work environment will have a positive impact on employee behavior and attitudes (Wage, 2003).

Many different engagement studies such as Gallup organization, Tower Perrins, Hewitt, Blessing White, the Corporate Leadership Council and the Conference Board have used difference definitions of engagement to come up with 26 key drivers of engagement that managers must take into consideration when supervising their employees. Those drivers include doing exciting and challenging work; having career growth and learning and development opportunities; working with great people, receiving fair pay; having supportive management and being recognized, valued and respected (Ketter, 2008).

Research on Employee Engagement by Vazirani (2007) listed some critical drivers which lead to Employee engagement, they are:

1. **Career Development- Opportunities for Personal Development:** Organizations with high levels of engagement provide employees with opportunities to develop their abilities, learn new skills, acquire new knowledge and realize their potential. When companies plan for the career paths of their employees and invest in them in this way their people invest in them.
2. **Career Development – Effective Management of Talent:** Career development influences engagement for employees and retaining the most talented employees and providing opportunities for personal development.
3. **Leadership- Clarity of Company Values:** Employees need to feel that the core values for which their companies stand are unambiguous and clear.
4. **Leadership – Respectful Treatment of Employees:** Successful organizations show respect for each employee's qualities and contribution – regardless of their job level.
5. **Leadership – Company's Standards of Ethical Behavior:** A company's ethical standards also lead to engagement of an individual
6. **Empowerment:** Employees want to be involved in decisions that affect their work. The leaders of high- engagement workplaces create a trustful and challenging environment, in which employees are encouraged to dissent from the prevailing orthodoxy and to input and innovate to move the organization forward.
7. **Image:** How much employees are prepared to endorse the products and services which their company provides its customers depends largely on their perceptions of the quality of those goods and services. High levels of employee engagement are inextricably linked with high levels of customer engagement.
8. **Equal Opportunity and Fair Treatment:** The employee engagement levels would be high if their bosses (superiors) provide equal opportunities for growth and advancement to all the employees
9. **Performance Appraisal:** Fair evaluation of an employee's performance is an important criterion for determining the level of employee engagement. The company which follows an appropriate performance appraisal technique (which is transparent and not biased) will have high levels of employee engagement.
10. **Pay and Benefits:** The Company should have a proper pay system so that the

employees are motivated to work in the organization. In order to boost his engagement levels the employees should also be provided with certain benefits and compensations.

11. Health and Safety: Research indicates that the engagement levels are low if the employee does not feel secure while working. Therefore every organization should adopt appropriate methods and systems for the health and safety of their employees.

12. Job Satisfaction: Only a satisfied employee can become an engaged employee. Therefore it is very essential for an organization to see to it that the job given to the employee matches his career goals which will make him enjoy his work and he would ultimately be satisfied with his job.

13. Communication: The Company should follow the open door policy. There should be both upward and downward communication with the use of appropriate communication channels in the organization. If the employee is given a say in the decision making and has the right to be heard by his boss than the engagement levels are likely to be high.

14. Family Friendliness: A person's family life influences his work life. When an employee realizes that the organization is considering his family's benefits also, he will have an emotional attachment with the organization which leads to engagement

15. Co-operation: If the entire organization works together by helping each other i.e. all the employees as well as the supervisors co-ordinate well than the employees will be engaged.

In the context of Celestica, employee engagement program has been rolled out in year 2007. Further to that, "Your Voice" team, which is a task force team formed by employee volunteered across the region has been set up to further enhance the employee engagement in Celestica.

The following is a summary of the team's responsibilities:

- Develop and deploy action items to address priority questions
- Meet with the function's leadership team on a regular basis to provide progress updates and identify areas where their support may be needed
- Test and validate approach

- Occasionally meet one-on-one with senior leaders
- Provide updates at employee quarterly calls
- Communicate results of any interim surveys

In the first ‘Your Voice’ committee meeting, the committee has been introduced with the top three priority matters which the top management would like the “Your Voice” committee to look into which is - employee communication, reward & recognition, and employee development,

Hence, this study focuses on the relationship between the three drivers of Employee engagement namely Employee communication, Reward & recognition and Employee development.

2.12.1 Employee Communication and Employee Engagement

Good employee communication will help employees to understand their role and hence contribute to the organization success (Clampitt, 2005). The importance of employee communication in any organization has been proven when the CIPD survey reported that the two most important drivers of employee engagement are having opportunities to feed upwards and feeling well-informed about what is happening in the organization. From this study, it is very clear that engagement begins with employees’ clear understanding of what is happening in the organization (being informed). Employees should be kept well informed about the changes that affect their work groups so that they aren’t confused or surprised when those changes are introduced. Besides that, when organizations provide a clear sense of direction and keep employees well informed, employees are able to make the best use of their time, resources, and budgets, and, therefore, don’t get off track when setting priorities or “spin their wheels” when taking action.

Communication also means that employees receive regular feedback about how well they are doing. DDI’s Selection Forecast study found that only a little more than half (58 percent) of employees feel that they get enough feedback about how well they are doing. Employees need and expect feedback as a way of supporting their work and recognizing their progress. Ongoing feedback serves as a motivator for action by creating focus and shaping action. A study by CIPD on How much the British Employee Engaged in year 2006 also found that two in five employees get

feedback on how they are performing and those who get more feedback tend to perform better.

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

2.12.2 Reward & Recognition and Employee Engagement

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

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

2.12.3 Employee Development and Employee Engagement

ASTD research found that employee desire opportunity to growth and advancement in their organization have a direct effect on engagement whereby 65% of the respondents answered that the "quality of training and learning opportunities" positively influence employee engagement to a high or very high extent – the strongest response of the survey. DDI's 2004 Selection Forecast study found that many employees leave their jobs for better growth and development opportunities, often offered by other organizations.

Most employees want to keep their jobs fresh and interesting by learning new approaches and building new skills. Hence, organizations can create engagement in their workforce by building a learning culture and creating individual development plans for every employee (Wellins, Bernthal & Mark, 2003). Studies have also found that investments in development programs are significantly related to financial success in the organization (Wellins, Bernthal & Wellins, 2003).

ASTD survey found that most employees want to use their best skills and will feel engaged when organizations recognize and capitalize on their unique strengths, rather than placing emphasis on fixing weaknesses. However, A study by CIPD in year 2006 on How Much British Employee Engaged found that around a third of the respondent said that their manager rarely or never discusses their training and development needs with them and rarely or never gives feedback on their performance, and a quarter are rarely or never made to feel their work counts.

2.12.4 Summary

This literature review has revealed that employee engagement has been conceptualised in many different ways. There is no single agreed definition and research has shown that, however engagement is defined, it is a multi-faceted construct (Kahn, 1990). The existence of various conceptualisations makes the state of knowledge around employee engagement difficult to determine, as each piece of research is undertaken under a different protocol, using different measures of engagement under different circumstances.

Despite this potential problem, a similar pattern was found by all regardless of the country or context where the research was undertaken; the highest numbers of employees were found in the 'not engaged' category. This finding is disappointing, although perhaps not very surprising, and clearly many people do not enjoy going to work and gain little meaning from what they do for a living. People's perceptions of meaning with regard to the workplace has connections with how engaged they are and their level of performance (Holbeche and Springett 2003).

Findings suggest people seek more meaning in their day-to-day work than they do in their personal lives. This implies employers should be seeking to make work meaningful by finding out what matters to their employees, especially since evidence suggests that meaningfulness impacts not only on the individual, but also on the

bottom line (Holbeche and Springett 2003). Research has also suggested a connection between employee engagement and business results, eg the Gallup Organisation cite numerous examples of increased corporate profitability due to increased employee engagement.

Looking more broadly, the evidence surrounding levels of engagement worldwide paints a negative picture; in Japan and Singapore levels of engagement are as low as 9 per cent, and levels of those ‘not engaged’ are as high as 82 per cent in Singapore and Thailand (Johnson 2005).

Such findings indicate that one size does not fit all when it comes to motivating employees to engage with their company and work. This is in part due to differences in culture, values, politics, management styles and the economy. Those managing across borders must be fully aware of what leads to engagement in the countries in which they are operating; antecedents of engagement which work in the host country may have no effect, or the opposite effect, in other countries. There is clear evidence in the psychological literature of the effect of individual differences on work performance. Kahn (1990) suggested that individual differences shape a person’s nature, which in turn, affects their ability to personally engage or disengage in all or some types or role performances. Furthermore, perception and personality have been suggested to be key influences on how individuals respond, thus shaping and directing how engaged they are.

Evidence also suggests that employee engagement is related to emotional experiences and wellbeing (May et al 2004). Researchers have found that emotional factors are linked to an individual’s personal satisfaction and the sense of inspiration and affirmation they get from their work and from being part of their organisation (Towers Perrin 2003). However a considerable number of employees agree that their company is not a good place to work, suggesting they are emotionally unhappy, whilst others argue emotions should not be allowed to flow free, and that employees are more productive when their emotions are managed (Holbeche and Springett 2003). Personal relationships have also been found to impact work engagement. Research has indicated that family stress is related to work stress. However, the causal relationship between the two variables is unclear.

Relationships within the workplace have also been found to have an impact on ‘meaningfulness’, which relates to engagement. Locke and Taylor (1990) indicated

that such findings point to the relatedness needs individuals possess, arguing individuals who have rewarding interpersonal interactions with their co-workers also should experience greater meaning in their work. Differences in gender have also been found to impact how engaged individuals are. Evidence shows that women tend to find more fulfilment in their jobs and are more engaged than men (Johnson 2005), although there is no evidence that this finding is not generalisable across the globe. However, such findings need to be treated with some degree of caution. Demographic factors alone cannot predict an individual's propensity to be engaged. More significant here is the way in which people are managed. Management style, employee voice and job design impact on people's level of engagement, regardless of demographic variables. Engaged employees were found to be almost three times more likely to feel their work lives positively affected their physical health than those employees who were actively disengaged, although the causal relationship between engagement and wellbeing is unclear. Nevertheless, this does not change the implication that engaged employees are more likely than others to view their jobs as healthy. An individual's intention to leave their organization is generally regarded as an important measure of how they are feeling about their work. Engaged employees are likely to have a greater attachment to their organization (Schaufeli and Bakker 2004; Truss et al 2006). The implication of this is twofold. Whilst engaging employees can help to reduce an organization's turnover and recruitment costs, it has also been found that the longer employees stay with an organization, the less engaged they become (Ferguson 2007 and Truss et al 2006).

Such evidence stresses the importance of engagement and ensuring employees are engaged in the long term in what they do by addressing issues, which have been found to matter, rather than letting the employee-employer relationship become 'stale'. It has been argued that employee engagement is only meaningful if there is a more genuine sharing of responsibility between management and employees over issues of substance (Purcell et al 2003). One of the main drivers of employee engagement was found to be employees having the opportunity to feed their views upwards. The evidence surrounding whether employers provide enough opportunities for feedback is mixed. Critics argue where employee involvement initiatives do exist, control still resides in the hands of management, with very limited power being given to employees. Nevertheless, research shows where employees have been given control

over how to do their work, they are more likely to focus harder on what they are doing.

Engaged employees are also more likely to display discretionary behaviour. Engagement has been found to be closely linked to feelings and perceptions around being valued and involved, which in turn generates the kinds of discretionary effort that lead to enhanced performance (Konrad 2006). Such evidence implies that management needs to share control and allow employees to influence important decisions. If they do not, they risk having a workforce, which is not, and cannot be, engaged.

2.12.5 Recommendations

This review suggests that employee engagement is a meaningful construct that is clearly worthy of future research. One area in need of investigation is the predictors of engagement. Whilst May et al (2004) found predictors related to the three psychological conditions of engagement identified by Kahn (1990), the evidence suggests that these predictors can only influence one of these conditions at a time, thus calling for the need to uncover predictors which affect engagement as a whole. There are other variables that might also be important for employee engagement. For example, HR practices such as flexible work arrangements, training programmes, and incentive rewards might also be important for employee engagement. Future research could include a broader range of predictors that are associated with particular types of engagement. Thus, future research should attempt to flesh out the types of factors that are the most important for engagement in different roles, jobs, organisations and groups.

Evidence suggests that new employees score the highest on levels of engagement, which may in part be due to the optimism and enthusiasm they experience upon starting a new job. Further research is needed to determine exactly which attitudes they possess at this stage and what elements they are so highly engaged with in their work. Once these have been identified, managers can attempt to maintain that high level of engagement employees experience at the beginning of their employment throughout their entire period of employment by understanding clearly what predicts engagement for those individuals.

Whilst employee engagement surveys are now being used by many organisations, such as the survey used by the Gallup Organisation, it could be argued that surveys fail to show which specific actions can be taken to help employees become more engaged. Therefore, it is suggested that future researchers should create and use ‘actionable’ surveys, whereby the results indicate not just levels of engagement, but also where the problem areas lie and what, in an employee’s opinion, should be done to eliminate the barriers to engagement. A further consideration is that employee surveys should be supported by interviews and contextual analysis in order to gain a more holistic view on engagement and how it is being managed within different organizational settings.

Much of the research to date has concentrated on organizations in the US, although the CIPD and The Raffey Park Institute based in the UK have made a significant contribution to unearthing employee engagement levels in the UK. Although the Gallup Organization has conducted research in several countries, there is still a need for research to concentrate in depth on other countries throughout the world.

Furthermore, the way in which research is conducted throughout the world differs from country to country. Whilst the differences in measurement are to be expected given the disagreement surrounding what engagement actually is, it makes it very difficult to compare the engagement results reliably, whether the comparison is between organizations, occupations, sectors or countries. When an element of an organization is measured, be it financial or people related, most organizations will want to know how they compare with others. This suggests future research should focus on creating a standard measure of engagement to allow organizations to see how they measure up to other companies along a simple set of fundamental work qualities.

21 Future research could also consider individual differences as variables that might predict employee engagement. Several personality variables, such as self-esteem, have been found to be related to the concept of ‘burnout’; so this might also be important for engagement, given that engagement is the positive antithesis of burnout. There is also some evidence based on social exchange theory, which suggests that individuals with a strong exchange ideology are more likely to feel obliged to return the benefit bestowed to them. Therefore, the relationship between various predictors and engagement might be stronger for individuals with a strong

exchange ideology. Future research could test the effects of exchange ideology for the relationship between predictors and engagement.

A final area for future research is to study the potential effect of managerial interventions on employee engagement. There is already some existing evidence which suggests that exchange-inducing interventions can remind employees of a sense of obligation making them feel obliged to reciprocate (Ganzach et al 2002). Therefore, future research could investigate the extent to which interventions can create a sense of obligation that leads to individuals to reciprocate with higher levels of engagement. For example, communication was found to be a key driver of engagement, so training managers on how to communicate effectively might be effective for improving perceptions of involvement and a sense of belonging.

Interventions in job design, which provide employees with more autonomy and freedom as well as career management interventions, might also be effective. These are likely to be rewarding areas for future research due to the growing interest organisations have in improving employee engagement, and may address the problem of the majority of employees being disengaged or not engaged.

The review has also revealed some practical implications for management to consider in terms of the design of jobs and relations with employees. The results of many engagement surveys indicate low levels of engagement among employees. The evidence suggests social exchange at work and support are what employees would like. Therefore, organisations that wish to improve employee engagement should focus on employees' perceptions of the support they receive from their organisation. Organisations which conduct surveys and suggestion programmes, for example, address employees' needs and concerns and those which offer flexible working arrangements, for example, demonstrate caring and support; all of which may cause employees to reciprocate with higher levels of engagement.

Research evidence shows that engagement and an employee's intention to stay with their organisation are influenced by the relationships held at work and the behaviours experienced. Therefore, management must be able to develop a sense of community and ensure favourable behaviours are displayed, such as trusting employees by giving them autonomy to make their own decisions. However, the literature indicates that it is not just what manager's do that is important; collegial relations are also important.

Discretionary behaviour has been revealed to be an important element that is correlated with engagement. However, a significant majority find their skills are not fully utilised in the workplace and opportunities to engage in discretionary behaviour are denied. This again suggests that management need to pay more attention to job design, creating more opportunity for people to contribute.

Research on emotions and wellbeing points to a link between positive feelings at work and levels of engagement. Furthermore, if management pay close attention to happiness at work, they will benefit from well-functioning employees, whilst at the same time enhancing the prospect of future resourcefulness. Organisations are more likely to see results by fostering positive emotions rather than simply concentrating on negative emotions and dealing with problems.

It is evident that giving employees the opportunity to feed their views and opinions upwards is a key driver of employee engagement. In addition, employees want to be kept 'in the know' about what is happening in their organisation. People want a sense of involvement with their employer. Employers can increase employee engagement by going beyond downward communication and making sure that people are not just treated as employees; instead they should be treated as valued individuals, as the research on individual differences suggests.

Research has shown that there may be a link between levels of engagement and organisational performance. Human resource practices that have a strong focus on people have demonstrated a significant impact on improvements in productivity, satisfaction and financial performance. In addition, engagement needs to be viewed as a broad organisational strategy that involves all levels of the organisation (Frank et al 2004), a string of actions and steps (Shaw 2005), which require the contribution and involvement of organisational members (Robinson et al 2004), as well as consistent, continuous and clear communications (Truss et al 2006).

2.13 Conclusion

This chapter had presented a review of literature that focused on the definition of employee engagement and the drivers that determined the employee engagement. The chapter discusses in details the definitions of employee engagement based on the various secondary sources reviewed and also elaborates on the importance of employee engagement. The various drivers that act as antecedent's of employee

engagement in an organization were also reviewed and then matched with the objectives of the research population which is Celestica Sdn Bhd.

This literature review has revealed that employee engagement has been conceptualised in many different ways. There is no single agreed definition and research has shown that, however engagement is defined; it is a multi-faceted construct (Kahn, 1990). The existence of various conceptualizations makes the state of knowledge around employee engagement difficult to determine, as each piece of research is undertaken under a different protocol, using different measures of engagement under different circumstances. Despite this potential problem, a similar pattern was found by all regardless of the country or context where the research was undertaken; the highest numbers of employees were found in the 'not engaged' category. This finding is disappointing, although perhaps not very surprising, and clearly many people do not enjoy going to work and gain little meaning from what they do for a living.

People's perceptions of meaning with regard to the workplace has connections with how engaged they are and their level of performance (Holbeche and Springett 2003). Findings suggest people seek more meaning in their day-to-day work than they do in their personal lives. This implies employers should be seeking to make work meaningful by finding out what matters to their employees, especially since evidence suggests that meaningfulness impacts not only on the individual, but also on the bottom line (Holbeche and Springett 2003).

Research has also suggested a connection between employee engagement and business results, eg the Gallup Organization cite numerous examples of increased corporate profitability due to increased employee engagement.

Looking more broadly, the evidence surrounding levels of engagement worldwide paints a negative picture; in Japan and Singapore levels of engagement are as low as 9 per cent, and levels of those 'not engaged' are as high as 82 per cent in Singapore and Thailand (Johnson 2005). Such findings indicate that one size does not fit all when it comes to motivating employees to engage with their company and work. This is in part due to differences in culture, values, politics, management styles and the economy. Those managing across borders must be fully aware of what leads to engagement in the countries in which they are operating; antecedents of engagement

which work in the host country may have no effect, or the opposite effect, in other countries.

There is clear evidence in the psychological literature of the effect of individual differences on work performance. Kahn (1990) suggested that individual differences shape a person's nature, which in turn, affects their ability to personally engage or disengage in all or some types or role performances. Furthermore, perception and personality have been suggested to be key influences on how individuals respond, thus shaping and directing how engaged they are.

Evidence also suggests that employee engagement is related to emotional experiences and wellbeing (May *et al* 2004). Researchers have found that emotional factors are linked to an individual's personal satisfaction and the sense of inspiration and affirmation they get from their work and from being part of their organisation (Towers Perrin 2003). However a considerable number of employees agree that their company is not a good place to work, suggesting they are emotionally unhappy, whilst others argue emotions should not be allowed to flow free, and that employees are more productive when their emotions are managed (Holbeche and Springett 2003).

The organizational goals of the research population Celestica Sdn Bhd as regards employee engagement then formed the foundation of the review as these three determinants (Employee Communication, Rewards & Recognition, and Employee Development) localized to Celestica Sdn Bhd were reviewed in this chapter

The following chapter describes in the detail the procedures and methodology that were used for data collection and analysis in this study.

CHAPTER 3

RESEARCH METHODOLOGY

3.1 Introduction

From the previous academic literature and study done by the HR expert, several drivers has been identified that could determine the employee engagement in the organization. The primary objective of this study is to investigate the relationships between Employee communication, Reward & Recognition and Employee development (Independent variables) and employee engagement. Thus, this chapter revealed the methods used to study these relationships. This chapter outlines the research design, the sources of data, unit of analysis, the population frame, the sample and sampling technique, the measurement, the collection and administration of data and finally the technique of analyzing data.

This study is applying a quantitative method .The quantitative data is analyzed with the help of questionnaires as the research is mainly exploratory in nature. used a quantitative data collection method and a field work survey to collect data on how factors Affecting Employee Engagement in Management Decisions among employees in Celestica Malaysia

3.2 Research Framework

Based on the literature review and research problem, the following research frame work has been developed. This model focuses on the drivers that could have effect on the employee engagement in Celestica Malaysia Sdn. Bhd. The independent variables are the predictors to employee engagement namely employee communication, reward and recognition and employee development program. On the other hand, employee engagement is the dependent variable.

3.2.1 Independent Variable

Independent variable is the variable manipulated by the researcher, thereby causing an effect or change on the dependent variable (Cooper and Schindler 2008). In this research, the following are independent variables based on the research problem

of Celestica Sdn Bhd as outlined in the chapter 1 and chapter 2: (1) Employee communication; (2) Rewards & Recognition and (3) Employee Development.

3.2.2 Dependent Variable

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

The model of the study is as depicted in the following figure below (Figure 3.2.1).

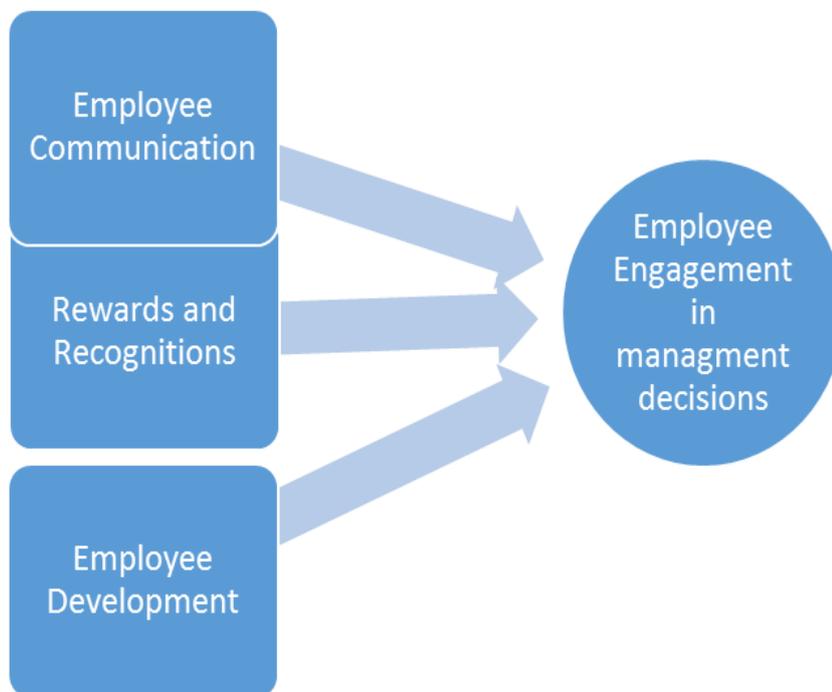


Figure 3.1: Research Framework

Source: Original

3.3 Definitions of Variables

From the above framework, it shows that Employee communication, Rewards & Recognition and Employee development are the independent variables that may have an effect on Employee engagement.

The variables are thus elaborated as follows;

3.3.1 Employee Communication

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

3.3.2 Rewards and Recognition

According to Wayne et al. (1997), employees perhaps considered promotion to a higher position associated with an increase in salary, as the best way by which an organization could recognize employees' accomplishments. Besides that, Vaziarani (2007) urge that organization should have a proper pay system so that the employees are motivated to work in the organization. In order to boost the engagement levels of the employee, organization should be able to provide with certain benefits and compensation.

3.3.3 Employee Development

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

3.4 Research Hypotheses

According to Cooper and Schindler (2008) hypothesis is a proposition formulated for empirical testing; a tentative descriptive statement that describes the relationship between two or more variables. An important role of the hypothesis is to suggest variables to be included in the research design.

According to Cooper and Schindler (2008), the null hypothesis (H_0) is an assumption that no difference exists between the sample parameter and the population statistic, while the alternative hypothesis (H_A) is an assumption that a difference exists between the sample parameter and the population statistic to which it is compared; it is the logical opposite of the null hypothesis used in significance testing. The hypotheses of this research are:

3.4.1 Hypothesis 1

H_0 : There is no significant relationship between Employee communication and Employee engagement in Celestica Malaysia Sdn. Bhd.

H_A : There is a significant relationship between employee communication and employee engagement in Celestica Malaysia Sdn. Bhd.

3.4.2 Hypothesis 2

H_0 : There is no significant relationship between Reward & Recognition and Employee engagement in Celestica Malaysia Sdn. Bhd.

H_A : There is a significant relationship between Reward & Recognition and Employee engagement in Celestica Malaysia Sdn. Bhd.

3.4.3 Hypothesis 3

H_0 : There is no significant relationship between Employee development and Employee engagement in Celestica Malaysia Sdn. Bhd.

H_A : There is a significant relationship between Employee development and Employee engagement in Celestica Malaysia Sdn Bhd.

3.5 Research Design

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

Research design can be thought of as the logic or master plan of a research that throws light on how the study is to be conducted (Sekaran, 2003). It shows how all of the major parts of the research study - the samples or groups, measures, treatments or programs work together in an attempt to address the research questions. Research design is similar to an architectural outline. The research design can be seen as actualisation of logic in a set of procedures that optimises the validity of data for a given research problem. According to Berg (2009), the research design serves to "plan, structure and execute" the research to maximise the "validity of the findings". It gives directions from the underlying philosophical assumptions to research design, and data collection. Yin (2003) adds further that "colloquially a research design is an action plan for getting from here to there, where 'here' may be defined as the initial set of questions to be answered and 'there' is some set of conclusions".

The basic and applied researches can be quantitative or qualitative or even both. Quantitative research is based on the measurement of quantity or amount. Here a process is expressed or described in terms of one or more quantities (Creswell, 2003). The result of this research is essentially a number or a set of numbers. Some of the characteristics of qualitative research/method are: It is numerical, non-descriptive, applies statistics or mathematics and uses numbers; It is an iterative process whereby evidence is evaluated; the results are often presented in tables and graphs; It is conclusive; and It investigates the what, where and when of decision making (Saunders et al, 2009).

It is important at this stage to mention that this research is quantitative. The type of research design to be used is categorized according to the general purpose of the research. There are different types of research designs, they include; exploratory, descriptive and explanatory. According to Yin (2003), each research category has different methods. An exploratory study uses case studies, interview and review of relevant and available literature. A descriptive study uses the survey approach while the explanatory study uses an experimental approach.

The descriptive was carried out by means of the survey method in which a self-administered structured questionnaire was administered directly to the target population. The research process started with an exploratory study. The intention is that the outcome of the study would form a more precise problem definition (Zikmund, 2003). Subsequently, the descriptive study involve the collection of primary data through the questionnaire survey method which was used in testing of hypotheses to answer the research questions.

The purpose of this study is to examine the drivers that influence Employee engagement in Celestica Malaysia Sdn Bhd. This investigation is a correlation study in which the relationship between the independent variables (employee communication, rewards and recognition and employee development) and the dependent variable (employee engagement) are tested for significant relationships. The research is cross-sectional and not longitudinal because the determinants/drivers of employee engagement in Celestica Malaysia Sdn Bhd was not measured over time, but for the current era only, specifically only for the year in which this research is carried out.

3.6 Research Paradigm

According to Franklin (2012), the research process has three major dimensions: ontology, epistemology and methodology. According to him, a research paradigm is an all-encompassing system of interrelated practice and thinking that define the nature of enquiry along these three dimensions. The term paradigm originated from the Greek word *paradeigma* which means pattern and was used to denote a conceptual framework shared by a community of scientists which provided them with a convenient model for examining problems and finding solutions. Franklin (2012) defines a paradigm as: “an integrated cluster of substantive concepts, variables and problems attached with corresponding methodological approaches and tools”. According to him, the term paradigm refers to a research culture with a set of beliefs, values, and assumptions that a community of researchers has in common regarding the nature and conduct of research.

A paradigm hence implies a pattern, structure and framework or system of scientific and academic ideas, values and assumptions (Herrman, 2009). Ontological and epistemological aspects concern what is commonly referred to as a person's

worldview which has significant influence on the perceived relative importance of the aspects of reality (Franklin, 2012). Two possible worldviews are: objectivistic and constructivist. These different ways of seeing the world have repercussions in most academic areas; yet, none of these views is considered to be superior to the other. Both may be appropriate for some purposes and insufficient or overly complex for other purposes.

Also a person may change his/her view depending on the situation. According to Howell (2013) research paradigms inherently reflect our beliefs about the world we live in and want to live in. Based on this belief, Herrman (2009) distinguish between positivist, post-positivist and postmodernist enquiry, grouping postmodernism and post-structuralism within 'critical theory'. The nature of reality assumed by positivism is realism, whereby a reality is assumed to exist; in contrast, post-positivism assumes that this 'reality' is only 'imperfectly and probabilistically apprehendable' (Herrman, 2009). Post-positivism is viewed as a variant of the former positivism, but they are both objectivist. Critical theory adopts a more transactional and subjectivist epistemology where 'the investigator and the investigated object are assumed to be interactively linked, with the values of the investigator inevitably influencing the inquiry' (Joubish, 2009). Whereas the aim of positivist and post-positivist enquiry is explanation, prediction and control, the aim of critical theory is critique and emancipation (Willmott, 1997). Gephart (1999) classified research paradigms into three philosophically distinct categories as positivism, interpretivism and critical postmodernism.

Much of the literature reviewed on research paradigms and methodology suggested that choosing a research philosophy is a subjective matter. Ndira et al (2011), amongst others, agree that in practice any research method could actually be used. It appears there is no right or wrong answer to which research philosophy, but some will be more suited to answering the research question than others.

Further, these three philosophical perspectives are the popular paradigms in contemporary social, organizational, and management research. The key features of these three perspectives that include the worldview, the nature of knowledge pursued, and the different means by which knowledge is produced and assessed within each paradigm or worldview are discussed below. However, there is no consensus, as to

whether these research paradigms are necessarily opposed or whether they can be seen as contributing a different role in the same study

Considering the options for research philosophy the Positivist research philosophy was applied for this research. Positivism searches for truth (Patton, 2002). The positivist stance assumes that everything can be proved and known, and is very scientific in its approach. Silverman (2011) describes it as a model of the research process which treats social facts as existing independently of both participants and researchers. The positivist paradigm of exploring social reality is based on the philosophical ideas of the French Philosopher August Comte. According to him, observation and reason are the best means of understanding human behaviour; true knowledge is based on experience of senses and can be obtained by observation and experiment (Pelham, 2006). At the ontological level, positivists assume that the reality is objectively given and is measurable using properties which are independent of the researcher and his or her instruments; in other words, knowledge is objective and quantifiable. Positivistic thinkers adopt scientific methods and systematize the knowledge generation process with the help of quantification to enhance precision in the description of parameters and the relationship among them. Positivism is concerned with uncovering truth and presenting it by empirical means (Pelham, 2006).

The positivist researcher prefers to work with an observable social reality and that the end product of the research can be law-like generalizations similar to those produced by the physical and natural scientist. The researcher would be required to take the role of an objective analyst making detached assumptions about data collected in a value free manner (Saunders et al 2003).

Saunders et al (2009) considers positivism is a statement about the power of science and rational thought to comprehend and manipulate the world. It is argued above that positivism is more concerned with hard science. Sekaran (2003) suggests that the aspiration for social researchers to become hard scientists is not possible. It is far from the intention of the author to adopt a scientific approach to the research.

The research philosophy applied in the research is positivism because a positivist approach allows for the quantification of data and for use of statistical analysis. It also helps in developing a scientific approach to the research and the use of a highly structured methodology. In addition, positivism will enable the research to

have an independent approach to the study compared to realism and interpretivism which are more subjective.

3.7 Research Strategies

Yin (2003) mentions that the research task is a sequential process involving clearly defined steps. They also state that despite the variation in steps involved, the idea of sequence is useful in developing a research and maintaining an order as the research progresses.

According to Zikmund (2003), research methodology provides a systematic, planned approach to a research project and ensures that all aspects of the project are consistent with one another.

The research strategy that has been used for this research is based on the research process 'onion' as described by Saunders et al. (2009). The research goes through different layers of the research onion. The various layers are philosophies, approaches, strategies, choices, time horizons and techniques and procedures. The strategy that has to be used can be chosen depending on research questions and objectives, research time and other resources that are available. (Saunders et al., 2009) The most feasible solution for this research is the survey method. The survey method is associated with deductive approach. It allows the collection of a large amount of data from sizeable population in highly economical way (Soeter, 2014). Utilising the questionnaire, data can be standardised allowing easy compilation. It is also a cheap option for the researcher. The survey strategy also allows collecting quantitative data, which can be analysed using descriptive tactics.

The survey strategy utilises the designing and piloting of data collection method to ensure a good response rate. Survey method would be used to investigate the research question and objectives. This is because survey allows the collection of large amounts of data from a large population efficiently and economically (Silverman, 2011). A survey is a technique in which a sample of prospective respondents is selected from a population. The sample is then studied with a view to drawing inferences from their responses to the statements in a questionnaire. This strategy allows for the collection and analysis of quantitative data using descriptive and inferential statistical techniques (Saunders et al., 2009).

Saunders et al. (2009) mentions that the researcher can use used both qualitative and quantitative data collection methods. This is known as mixed method of data collection. Both these could be done at the same time or one after the other, but the methods cannot be combined.

Pelham & Blanton (2006) argue that the weakness of both quantitative and qualitative methods can be overcome by using both the methods. If we use mixed methods, different methods like interview and questionnaire can be used for the study. They also state that mixed method research provides more comprehensive evidence for studying a research question than using just one method of data analysis. This was also mentioned as the most practical method since the researcher is free to use all the methods to address the problem.

In the context of this research, the researcher used quantitative data techniques to find the data. The quantitative data is analysed with the help of questionnaires

3.8 Research Approach

Saunders et al. (2009) states that all research work involves theories and suggests the clarity of researcher's theory at the beginning of the research could inform the research the approach taken in designing the research. They, suggest two types of research approach of reasoning.

They are Inductive approach and Deductive approach. In inductive approach, the researcher would collect the data and develop and theory with the result of data analysis. According to Saunders et al. (2009), the following are the features of inductive approach - Gaining an understanding of meanings human attach to events; A close understanding of research context; A collection of qualitative data; A more flexible structure to permit changes of research emphasis as research progresses; A realisation that the researcher is part of the research process; Less concern with need to generalize (Silverman, 2011).

Deductive approach method is the way of testing a theory. The researcher will develop a theory and suitable hypothesis. The research strategy is the developed to test the hypothesis that is developed.

Soeters (2014) suggests a five-stage model through which the deductive stage will progress; Deduct a hypothesis from the theory; Express the hypothesis in

operational terms; Test the hypothesis; Examine outcome of the inquiry; Modify theory in light of results.

There are two main choices for the research approach. A deductive approach is consistent with developing a theory and testing it through research, whereas an inductive approach collects data to develop a theory (Saunders et al 2003). Induction is when a conclusion is drawn from past experience (Sekaran, 2003).

The approach used for the research was Inductive. Data was collected and by analyzing the data, conclusions were made, on the basis on which the null hypotheses was rejected and the alternative hypothesis accepted

3.9 Time Horizon

Given the time constraints for this study, a cross-sectional research design was chosen to provide a 'snap shot' of the extent of the influence of the drivers of Employee engagement in Celestica Sdn Bhd at a particular period of time which embodies the time period of this research.

Cross-sectional studies are simple in design and are aimed at finding out the prevalence of a phenomenon, problem, attitude or issue by taking a snap-shot or cross-section of the population. This obtains an overall picture as it stands at the time of the study. For example, a cross-sectional design would be used to assess demographic characteristics or community attitudes. These studies usually involve one contact with the study population and are relatively cheap to undertake.

The distribution of the questionnaire took place in Celestica Sdn Bhd and the questionnaire was self-administered directly to the target population which was made up of all levels of employees and the respondents were given enough time to fill the questionnaire after adequately explaining the reason for the research.

According to Saunders et al. (2009), time horizons are needed for the research design independent of the research methodology used. There are two types of time horizons namely Longitudinal and Cross-sectional.

Longitudinal studies are repeated over an extended period. Cross sectional studies are limited to a specific time frame. This research is also limited to a specific time frame and hence the cross sectional time horizon is used.

3.10 Sources of Data

Primary data and secondary data were used in this study.

3.10.1 Primary Data

According to Sekaran (2000), primary data is information that is first obtained by the researcher on the variables of interest for the specific purpose of study. To obtain primary data in this study, the researcher has distributed a set of questionnaires to the exempt staff in Celestica Malaysia Sdn. Bhd.

3.10.2 Secondary Data

Secondary data refer to the information gathered by someone than the researcher conducting the current study. Secondary data sources include; company records, academic publications, industry analysis offered by the media, web publications and so on (Sekaran, 2000). It is less time consuming and cheap to obtain the secondary data as it is already prepared by other experts.

The secondary data helps to get more information that could support the primary data, strengthen the information and also assist the researcher to interpret the primary data correctly. At times, secondary data can also give an insight to the researcher on the subject matter from difference perspectives.

For this study, the researcher gathered the secondary data from Celestica website, annual reports, articles, magazines, Celestica Corporate Celnew which is relevant and able to support the literature review. The secondary data used in this reaearch, consists of both internal and external data sources. External Sources: Journals, articles, books while internal sources such as Celestica's intranet, Celestica communication Magazines, brochure and etc.

3.11 Sampling Design

According to Berg (2009) population is any group of individuals that have one or more characteristics in common that are of interest to the researcher.

Probability Sampling refers to sampling when the chance of any given individual being selected is known and these individuals are sampled independently of each other. This is also known as random sampling. A researcher can simply use a random number generator to choose participants (known as simple random sampling),

or every *n*th individual (known as systematic sampling) can be included (Franklin, 2012). Researchers also may break their target population into strata, and then apply these techniques within each strata to ensure that they are getting enough participants from each strata to be able to draw conclusions. For example, if there are several ethnic communities in one geographical area that a researcher wishes to study, that researcher might aim to have 148 participants from each group, selected randomly from within the groups, in order to have a good representation of all the relevant groups.

Non-Probability sampling refers to when researchers take whatever individuals happen to be easiest to access as participants in a study (Franklin, 2012). This is only done when the processes the researchers are testing are assumed to be so basic and universal that they can be generalized beyond such a narrow sample. For example, snowball sampling is an approach for locating information-rich key informants. Using this approach, a few potential respondents are contacted and asked whether they know of anybody with the characteristics that you are looking for in your research. Snowball sampling is not a stand-alone tool; the tool is a way of selecting participants and then using other tools, such as interviews or surveys (Berg, 2009).

Non-probability type of sampling in which the convenience and judgemental (or purposive) type was used in selecting the respondents. Convenience sampling is easy and less time consuming and it involves the researcher recruiting participants his convenience while the judgemental or purposive sampling is done when a researcher recruits participant by using his judgement in recruiting those that are most knowledgeable about the research area (Ndira et al, 2011).

According to Hopskin (2000), the safest way to ensure a representative sample is to use a random selection procedure, especially if the study does not have a proportional representation of population subgroups. Since this study is a correlation study which is to delineate the important variables that are associated with the problem. Hence in this study the researcher proposes to use simple random probability sampling because this method provides least bias and offers the most randomization and generalization.

The field survey has been conducted through the distribution of questionnaires to the targeted respondents. The research respondents were the exempt staffs in Celestica Malaysia Sdn. Bhd.

By using the simple random sampling. There are 129 exempt staffs in Celestica Malaysia. According to Krejcie and Morgan (1970), which has provided generalized scientific guidelines for sample size, the sample size for population size (P) 129 is (S) 97.

Because researchers can seldom study the entire population, they must choose a subset of the population, which can result in several types of error. Sometimes, there are discrepancies between the sample and the population on a certain parameter that are due to random differences. This is known as sampling error and can occur through no fault of the researcher (Creswell, 2003).

Far more problematic is *systematic error*, which refers to a difference between the sample and the population that is due to a systematic difference between the two rather than random chance alone (Berg, 2009). The *response rate* problem refers to the fact that the sample can become self-selecting, and that there may be something about people who choose to participate in the study that affects one of the variables of interest. For example, in our eye care case, we may experience this kind of error if we simply sample those who choose to come to an eye clinic for a free eye exam as our experimental group and those who have poor eyesight but do not seek eye care as our control group. It is very possible in this situation that the people who actively seek help happen to be more proactive than those who do not. Because these two groups vary systematically on an attribute that is *not* the dependent variable (economic productivity), it is very possible that it is *this* difference in personality trait and *not* the independent variable (if they received corrective lenses or not) that produces any effects that the researcher observes on the dependent variable. This would be considered a failure in internal validity (Franklin, 2012).

3.12 Unit of Analysis

The unit of analyses is the individual. The individual unit of analysis is made up of exempt staff in Celestica Malaysia Sdn Bhd. 97 respondents were randomly selected from various departments.

3.4 Population

In this study, the targeted respondents are in staff working in Celestica Malaysia

Sdn. Bhd. Basically, the total number of staff in Celestica Malaysia Sdn. Bhd is 240 which 240 respondents were invited to participate in the study, however, only 148 respondents is considered as the population in this study. For the methods of data collection, around 148 respondents were selected randomly working with the company. Had completed fully the questionnaire corresponding to a 26.9% response rate.

3.5 Sample Size

As stated previously, a sample size of 148 respondents will participate to answer the questionnaires that will be distributed by the research of this study.

3.6 Sampling Technique

About the sampling methods, random sampling technique will be used for this study. This means that the technique of picking a sample size to answer the questionnaires' will be done randomly from a statistical population in such a method that every potential sample that could be chosen had a prearranged probability of being selected. Non-probability sampling method was used in this study, because of the hitches in conducting contact and managing all the respondents since the sampling structure was not provided (Bryman, A., & Bell, E. 2007).

3.12 Data Collection Method

Data was collected using a structured questionnaire. The questionnaire was distributed to 148 staffs in Celestica Malaysia Sdn. Bhd. Data was collected in one shot, at one point in time. Hence providing cross sectional data.

3.14 Measurement

The instrument for the study is the questionnaire which is intended to identify the drivers that influence employee engagement in Celestica Malaysia Sdn. Bhd. The questionnaire was adopted and adapted to suite the context of employees in Celestica Malaysia Sdn. Bhd.

Table 3.1
Measurement Items

Variable	No. of Items	Scales	Sources
Employee Engagement	13	Five-point Likert scale	Chartered Institute of Personnel and Development
Employee Communication	7	Five-point Likert scale	ORC International Pulse
Rewards and Recognition	6	Five-point Likert scale	ORC International Pulse
Employee Development	6	Five-point Likert scale	ORC International Pulse

The questionnaire consists of 5 sections. Section A consists of the demographic questions to gather the information about the profile of the respondent. Section B, C, D and E sought to measure items that are related to the research variables

Table 3.2
Layout of the Questionnaires

Section	Variables	Number of items	Scale
A	Respondent Background <ul style="list-style-type: none"> • Age • Gender • Race • Years of service in 	7	Multiple choices

Celestica Malaysia			
	<ul style="list-style-type: none"> • Academic • Qualifications • Department 		
B, C, D, and E	(B) Employee Communication	7	Five-point Likert scale
	(C) Rewards and Recognition	6	1-Strongly disagree, 2-Disagree, 3-Uncertain,
	(D) Employee Development	6	4-Agree and 5-Strongly agree
	(E) Employee Engagement	13	

Two scales were used in this research. First is nominal scale used in section A, Likert scale used for sections B, C, D, and E. Likert scale is used when responses to various items that measure a variable can be anchored on a 5 points scale which can thereafter be summated across the item. The scale below show the measure used in the Likert scale designated instrument using Likert scale with score from 1 to 5 (Sekaran, 2003). Every score shown as follows:

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

3.15 Ethical Consideration

There are many ethical issues to be taken into serious consideration for research. Sociologists need to be aware of having the responsibility to secure the actual permission and interests of all those involved in the study. They should not misuse any of the information discovered, and there should be a certain moral responsibility maintained towards the participants. There is a duty to protect the rights of people in the study as well as their privacy and sensitivity. The confidentiality of those involved in the observation must be carried out, keeping their anonymity and privacy secure

To ensure that respondents felt their rights to privacy and confidentiality was being respected, the first page of the questionnaire had a short note, which explained that all information gathered from respondents was going to be used solely for educational purposes.

Also, that their information, especially ones they deemed private was not going to be made public but would be for academic purpose only.

In addition, in the selection of the respondents for the survey, it was taken care that preference was not given to any particular ethnicity, gender or age group while so that results could be as accurate and unbiased as possible.

Respondents were assured anonymity and confidentiality to help gain and gather honest responses from each of them

3.16 Data Analysis Techniques

After collecting the information from the respondents using the questionnaire, a few procedures has been done such as checking the data for accuracy, key in the data into the computer, and transforming and coding the data, developing and documenting a database structure.

Having established the basic assumptions, this section continues by focusing on the process of research methodology and data analysis. There are four main steps in the quantitative analysis of data and they have been implemented for this study. The steps include preparing the data for analysis, getting a feel for the data, checking goodness of the data, and then testing hypotheses.

3.16.1 Preparing the Data

Appropriate and relevant statistical analytical tools were used to analyze data and generating bias free results and required objectives. This step also considered the research objectives, characteristics of the data and underlying the properties of the statistical techniques. After collecting the data some important steps were followed like handling blank responses, data coding etc

The sources of data were primary and secondary data. Primary data were collected through the questionnaires administered. This was done to bring originality and to take care of the short-coming of the secondary data. The Secondary data were

data that had been formerly used, and it was collected from all the literature and case studies selected.

Preparation of primary data for analysis, although sometimes under-rated is an extremely important first step in the data analysis process (Hair et al. 2006). The most important parts in this process are: a) checking for correct data input and handling missing data and b) determining response rate; (Cavana et al. 2001; Hair et al. 2006). These processes and the analysis methods that were employed are explained as follows.

- a) **Check for correct data input and handling missing data:** Editing data - Prior to the actual analysis, data must first be converted from data source to data file, that is, where the raw source material is converted to a useable data file (Coakes & Steed 2007). To achieve this, firstly data collected were edited by checking over the returned surveys, searching for blanks and incomplete sections.
- b) **Handling Blank Responses** - Unfortunately, blank spaces and incomplete survey sections are one of the drawbacks of surveys as compared to phone and face to face interviews where the editing is often taken care of automatically during the interview process, whilst the respondent is answering the questions. In this case, following up respondents that sent in blank responses was not possible given this survey was designed to ensure responses remained anonymous. Blank responses were dealt with by determining what percentage of the case was blank using the missing variable analysis in SPSS, and then depending on the blanks being ignorable or not ignorable data, a determination to remove the case or to keep it was made.
- c) **Coding Data** - Prior allocation of a unique alphanumeric code was made for each of the items on the survey. This ensured that every item from every case entered in to the data set could be tracked back to the original survey sheet for ease of cross checking and for audit purposes.
- d) **Categorizing** – all questionnaire were divided into three main categories, first one is the human resources factors, secondly the organization factors and finally the demographic information.

3.16.2 Statistical Analysis

For the purpose of this study, a survey has been conducted and questionnaires were distributed to find out the relationships between the variables which are explained in the research model. Related secondary data has been collected and analyzed via literature and previous research to verify the hypotheses. The survey study is conducted through a questionnaire, it is an efficient data collection mechanism (Sekaran, 2000) since the researcher can articulate what is required and how to measure the constructs.

The methods used to analyses data indicate that this study is a quantitative study. The study uses various statistical tests and IBM Statistical Package for Social Science (SPSS) Version 20.0 to interpret the results of data as this package commonly used by researchers and easily available in business settings. The reliability of scales is first analyzed using Cronbach's Alpha since Cronbach's scale is best used for multipoint scaled items.

The questions were being coded to enable for analysis using Statistical Packages for the Social Science (SPSS) to measure relationship and differences between variables in this research.

In doing the analysis for the collected data and to determine relationship among the drivers, researcher used Frequency Distribution, Descriptive Analysis, Reliability Analysis (Cronbach's Alpha), Correlation and Regression.

According to Malhorta (1999), the objective of frequency distribution is to obtain a count of number of responses associated with different values of one variable and to express these counts into percentage terms. By doing this, the researcher can obtain information such as the frequency of a respondent profile.

On the other hand, Reliability Analysis is an indication for the stability and consistency with which the instrument measures the concept and helps to access the goodness of measures. In Cronbach's Alpha reliability analysis, the closer Cronbach's Alpha to 1.0, the higher the internal consistency reliability. (Cronbach's Alpha; Cronbach, 1946). Cronbach measures;

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

Correlation test was conducted to test whether we should accept or reject the null hypothesis. If the observation value is greater than the critical value, then the decision rule of the hypothesis testing is to accept the alternative hypothesis (H_A). The important role of the hypothesis is to suggest variables to be included in the research design. The analysis was done by using Pearson Correlation Coefficient.

Pearson Correlation Coefficient is a statistical procedure for analyzing associative relationships between a metric dependent variable and one or more independent variables. For this research, the relationship between employee engagement in Celestica Malaysia Sdn. Bhd. as dependent variable with Employee Communication, Rewards and Recognition and Employee Development as the independent variables.

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

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

This study is a correlational type of study. It intends to examine the relationships between employee's retention and some independent variables. Hence, using Pearson Correlation Analysis enables the researcher to describe the relationship between each of those variables and employees retention. "The correlation coefficient a concept from statistics is a measure of how well trends in the predicted values follow trends in past actual values. It is a measure of how well the predicted values from a forecast model "fit" with the real-life data. The correlation coefficient is a number between 0 and 1 (Lind et al., 2003).

If there is no relationship between the predicted values and the actual values the correlation coefficient is 0 or very low (the predicted values are no better than random numbers). As the strength of the relationship between the predicted values and

actual values increases so does the correlation coefficient. A perfect fit gives a coefficient of 1.0. Thus the higher the correlation coefficient the better” (Lind et al, 2003)

The formula for r is:

$$r = \frac{\sum_{i=1}^n (X_i - \bar{X})(Y_i - \bar{Y})}{\sqrt{\sum_{i=1}^n (X_i - \bar{X})^2} \sqrt{\sum_{i=1}^n (Y_i - \bar{Y})^2}}$$

The data collected was analyzed using SPSS version 20.0. The first part of the analysis is the descriptive statistics showing the frequency distribution tables and pie chart for the nominal data collected in the questionnaire.

This is followed by analytical inferential test models including reliability tests, correlation tests and multiple regression analysis.

In carrying out the Multiple Regression Analysis, a model summary was conducted in which R² was calculated as well as Analysis of Variance.

“R Square (R²) is a statistic that will give some information about the goodness of fit of a model. In regression, the R² coefficient of determination is a statistical measure of how well the regression line approximates the real data points. An R² of 1.0 indicates that the regression line perfectly fits the data (Zikmund, 2003). In some (but not all) instances where R² is used, the predictors are calculated by ordinary least-squares regression: that is, by minimizing SSE. In this case R-squared increases as we increase the number of variables in the model (R-squared will not decrease). This illustrates a drawback to one possible use of R², where one might try to include more variables in the model until "there is no more improvement" (Saunders et al, 2009).

This leads to the alternative approach of looking at the adjusted R². The explanation of this statistic is almost the same as R-squared but it penalizes the statistic as extra variables are included in the model (Zikmund, 2003). For cases other than fitting by ordinary least squares, the R² statistic can be calculated as above and may still be a useful measure. However, the conclusion that R-squared increases with extra variables no longer holds, but downward variations are usually small. If fitting is by weighted least squares or generalized least squares, alternative versions of R² can

be calculated appropriate to those statistical frameworks, while the "raw" R^2 may still be useful if it is more easily interpreted (Zikmund, 2003). Values for R^2 can be calculated for any type of predictive model, which need not have a statistical basis”

“One-way analysis of variance (abbreviated one-way ANOVA) is a technique used to compare means of two or more samples (using the F distribution). This technique can be used only for numerical data. The ANOVA tests the null hypothesis that samples in two or more groups are drawn from the same population. To do this, two estimates are made of the population variance. These estimates rely on various assumptions (see below). The ANOVA produces an F statistic, the ratio of the variance calculated among the means to the variance within the samples. If the group means are drawn from the same population, the variance between the group means should be lower than the variance of the samples, following central limit theorem. A higher ratio therefore implies that the samples were drawn from different populations” (Saunders et al, 2009; Zikmund, 2003)

“The degrees of freedom for the numerator are $I-1$, where I is the number of groups (means). The degrees of freedom for the denominator is $N - I$, where N is the total of all the sample sizes.

Typically, however, the one-way ANOVA is used to test for differences among at least three groups, since the two-group case can be covered by a t-test (Zikmund, 2003). When there are only two means to compare, the t-test and the F-test are equivalent”.

3.17 Conclusion

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

CHAPTER 4

RESULTS AND FINDINGS

4.1 Introduction

This chapter presents the results of and detailed analysis and findings obtained from the respondents using relevant statistical tests.

4.2 Demographic Variables

Table 4.1 shows the demographic profile of the respondents and the results show that out of 148 respondents, 24 respondents were below the age of 25 representing 16.2%; 76 respondents were between the age range of 25 to 34 representing 51.4%; 22 respondents were between the range of 35 and 44 representing 14.9%; and 12 respondents were 45-54 years of age and 55 and above respectively representing 8.8% each indicating that most of the employees are at productive age.

The results regarding the gender of the respondents, the findings show that, 68 respondents were female representing 46% and 80 respondents were males representing 54% indicating male were slightly higher than female counter parts. In terms of race, Malay account for 73 representing 49%, Chinese were 29 representing 20% while Indian were 46 representing 31%, indicating that Malays were the majority among the employees.

However, the academic qualification of the respondents show that employees with secondary qualification were 29 representing 20%, Diploma were 44 representing 30%, degree were 71 representing 48% while masters were 4 representing 2%.

The results involving distribution of the respondents in terms of the department, the findings reveal that, 15 respondents belong to the Human resources department representing 10%; 25 respondents belong to IT representing 17%; 19 respondents belong to Engineering representing 13%; 58 respondents belong to supply change representing 39%; 17 respondents belong to finance representing 11% and 14 respondents belong to quality department representing 10%.

Finally, the results for the length of service show that employees with below 2 years were 25 representing 17%, 2-4 years were 21 representing 14%, employees with 5-7 years were 75 representing 51% whereas 8-10 years were 27 representing 18%.

Table 4.1

Demographic Variables of the Respondents

Variable	Frequency	Percentage
Age		
25 years	30	16.2
25-34 yrs	76	51.4
35-44 yrs	22	14.9
45-54 yrs	12	8.8
More than 55 yrs	12	8.8
Gender		
male	80	54.0
Female	68	46.0
Race		
Malay	73	49.0
Chinese	29	20.0
Indian	46	31.0
Academic Qualification		
Secondary	29	20.0
Diploma	44	30.0
Degree	71	48.0
Master	4	2.0
Department		
Human resources	15	10.0
IT	25	17.0
Engineering	19	13.0
Supply change	58	39.0
Finance	17	11.0
Quality	14	10.0
Length of service		
Below 2 yrs	25	17.0
2-4 yrs	21	14.0
5-7 yrs	75	51.0
8-10 yrs	27	18.0

Answers to the Research Questions

Table 4.2 indicates the results for the items in employee communication. Regarding the question statement “The management staff ask employees how they feel” the result shows that out of the 148 respondents, 72 respondents indicated ‘agree’ representing 48.6%; followed by 46 respondents who indicated ‘neutral’ representing 31.1%; 24 respondents indicated ‘strongly agree’ representing 16.2%.; and 5 respondents indicated ‘strongly disagree’ representing 3.4%. One respondent indicated ‘disagree’ representing 0.7%. This shows that the majority of the employees were in support of the statement “The management staff ask employees how they feel” with a mean of 3.74.

The results for the question statement “The management staff build trust and to foster personal relationships with one’s employees” reveals that out of the 148 respondents, 83 respondents indicated ‘agree’ representing 56.1%; followed by 38 respondents who indicated ‘neutral’ representing 25.7%; 21 respondents indicated ‘strongly agree’ representing 14.2%; and 6 respondents indicated ‘disagree’ representing 4.1%. This shows that the majority of the employees were in support of the statement “The management staff build trust and to foster personal relationships with one’s employees” with a mean of 3.8.

The results on the question statement “The management staff make communication to employee a regular routine” indicates that out of the 148 respondents, 77 respondents indicated ‘agree’ representing 52%; followed by 44 respondents who indicated ‘neutral’ representing 30%; 15 respondents indicated ‘strongly agree’ representing 10.1%; and 11 respondents indicated ‘disagree’ representing 7.4%. This shows that majority of the employees were in support of the statement “The management staff make communication to employee a regular routine” with a mean of 3.65.

The results on the question statement “The management staff honestly respond to what one hears from employees” indicates that out of the 148 respondents, 77 respondents indicated ‘agree’ representing 52%; followed by 44 respondents who indicated ‘strongly agree’ representing 29.7%; 21 respondents indicated ‘neutral’ representing 14.2%; and 6 respondents indicated ‘disagree’ representing 4.1%. This shows that the majority of the employees were in support of the statement “The

management staff honestly respond to what one hears from employees” with a mean of 4.07.

The results on the question statement “The management staff value employee feedback where employees are listened to without fear of reprisal” indicates that out of the 148 respondents, 60 respondents indicated ‘agree’ representing 40.5%; followed by 47 respondents who indicated ‘neutral’ representing 31.8%; 38 respondents indicated ‘strongly agree’ representing 25.7%; and 3 respondents indicated ‘disagree’ representing 2%. This shows that the majority of the employees were in support of the statement with a mean of 3.9.

Table 4.2
Employee Communication

SN	Item Statement	SD	D	N	A	SA	Mean
1	The management staff ask employees how they feel	5 (3.4%)	1 (.7%)	46 (31.1%)	72 (48.6%)	24 (16.2%)	3.74
2	The management staff build trust and to foster personal relationships with one’s employees	-	6 (4.1%)	38 (25.7%)	83 (56.1%)	21 (14.2%)	3.8
3	The management staff make communication to employee a regular routine	-	11 (7.4%)	45 (30.4%)	77 (52%)	15 (10.1%)	3.65
4	The management staff honestly respond to what one hears from employees	-	6 (4.1%)	21 (14.2%)	77 (52%)	44 (29.7%)	4.07
5	The management staff value employee feedback where employees are listened to without fear of reprisal	-	3 (2%)	47 (31.8%)	60 (40.5%)	38 (25.7%)	3.9

Table 4.3 depicts results of the rewards and recognition. Regarding the question statement “Promotion to a higher position associated with an increase in salary are made regularly” out of the 148 respondents, 61 respondents indicated ‘agree’ representing 41.2%; followed by 48 respondents who indicated ‘strongly agree’ representing 32.4%; 28 respondents indicated ‘neutral’ representing 18.9%; and 11 respondents indicated ‘disagree’ representing 7.4%. This shows that the majority of

the employees were in support of the statement “Promotion to a higher position associated with an increase in salary are made regularly” with a mean of 3.99.

The results on the question statement “Employees are motivated to work in the organization” reveals that out of the 148 respondents, 65 respondents indicated ‘agree’ representing 43.9%; followed by 38 respondents who indicated ‘neutral’ representing 25.7%; 33; respondents indicated ‘strongly agree’ representing 22.3%; and 12 respondents indicated ‘disagree’ representing 8.1%. This shows that the majority of the employees were in support of the statement “Employees are motivated to work in the organization” with a mean of 3.8.

The results on the question statement “The employees enjoy benefits and compensation” reveals that out of the 148 respondents, 86 respondents indicated ‘agree’ representing 58.1%; followed by 33 respondents who indicated ‘strongly agree’ representing 22.3%; 27 respondents indicated ‘neutral’ representing 18.2%; and 2 respondents indicated ‘disagree’ representing 1.4%. This shows that the majority of the employees were in support of the statement “The employees enjoy benefits and compensation” with a mean of 4.01.

The results for the question statement “The company provides proper pay system” reveals that out of the 148 respondents, 94 respondents indicated ‘agree’ representing 63.5%; followed by 43 respondents who indicated ‘neutral’ representing 29.1%; 6 respondents indicated ‘strongly disagree’ representing 4.1%; 3 respondents indicated ‘strongly agree’ representing 2%; and 2 respondents indicated ‘disagree’ representing 1.4%. This shows that the majority of the employees were in support of the statement “The Company provides proper pay system” with a mean of 3.58.

The results on the question statement “Employees are motivated to work in the organization through various rewards” reveals that out of the 148 respondents, 73 respondents indicated ‘agree’ representing 49.3%; followed by 33 respondents who indicated ‘neutral’ representing 22.3%; 21 respondents indicated ‘strongly agree’ representing 14.2%; while another 21 respondents indicated ‘disagree’ representing 14.2%. This shows that the majority of the employees were in support of the statement “Employees are motivated to work in the organization through various rewards” with a mean of 3.64.

Table 4.3*Rewards and Recognition*

SN	Item Statement	SD	D	N	A	SA	Mean
1	Promotion to a higher position associated with an increase in salary are made regularly	-	11 (7.4%)	28 (18.9%)	61 (41.2%)	48 (32.4%)	3.99
2	Employees are motivated to work in the organization	-	12 (8.1%)	38 (25.7%)	65 (43.9%)	33 (22.3%)	3.8
3	The employees enjoy benefits and compensation	-	2 (1.4%)	27 (18.2%)	86 (58.1%)	33 (23.3%)	4.01
4	The company provides proper pay system	6 (4.1%)	2 (1.4%)	43 (29.1%)	94 (63.5%)	3 (2%)	3.58
5	Employees are motivated to work in the organization through various rewards	-	21 (14.2%)	33 (22.3%)	73 (49.3%)	21 (14.2%)	3.64

Table 4.4 indicates the results for employee development. As for the question statement “The company develops employee’s skills” out of the 148 respondents, 76 respondents indicated ‘agree’ representing 51.4%; followed by 31 respondents who indicated ‘strongly agree’ representing 20.9%; 31 respondents indicated ‘neutral’ representing 20.9%; and 5 respondents indicated ‘disagree’ and strongly disagree representing 3.4% respectively. This shows that the majority of the employees were in support of the statement “T the Company develops employee’s skills” with a mean of 3.83.

The results on the question statement “Training of employee as a means of staff development” reveals that out of the 148 respondents, 58 respondents indicated ‘agree’ representing 39.2%; followed by 45 respondents who indicated ‘neutral’ representing 30.4%; 25 respondents indicated ‘strongly agree’ representing 16.9%; while another 20 respondents indicated ‘disagree’ representing 13.5%. This shows that the majority of the employees were in support of the statement “Training of employee as a means of staff development” with a mean of 3.59.

The results on the question statement “Company help new and old employees to acquire more knowledge” reveals that out of the 148 respondents, 49 respondents

indicated ‘agree’ representing 33.1%; followed by 45 respondents who indicated ‘strongly agree’ representing 30.4%; 27 respondents indicated ‘neutral’ representing 18.2%; 18 respondents indicated ‘disagree’ representing 12.2%; and 9 respondents indicated ‘strongly disagree’ representing 6.1%. This shows that the majority of the employees were in support of the statement “Company help new and old employees to acquire more knowledge” with a mean of 3.7.

The results on the question statement “The employees attend seminars and workshops” reveals that out of the 148 respondents, 86 respondents indicated ‘agree’ representing 58.1%; followed by 27 respondents who indicated ‘strongly agree’ representing 18.2; 21 respondents indicated ‘neutral’ representing 14.2%; 9 respondents indicated ‘disagree’ representing 6.1%; and 5 respondents indicated ‘strongly disagree’ representing 3.4%. This shows that majority of the employees were in support of the statement “The employees attend seminars and workshops” with a mean of 3.82.

The results on the question statement “In-service training opportunities are provided for the employees” reveals that out of the 148 respondents, 62 respondents indicated ‘agree’ representing 41.9%; followed by 47 respondents who indicated ‘neutral’ representing 31.8%; 32 respondents indicated ‘strongly agree’ representing 21.6%; and 7 respondents indicated ‘disagree’ representing 4.7%. This shows that the majority of the employees were in support of the statement “In-service training opportunities are provided for the employees” with a mean of 3.8

Table 4.4

Employee Development

SN	Item Statement	SD	D	N	A	SA	Mean
1	The company develops employee’s skills	5 (3.4%)	5 (3.4%)	31 (20.9%)	76 (51.4%)	31 (20.9%)	3.83
2	Training of employee as a means of staff development.	-	20 (13.5%)	45 (30.4%)	58 (39.2%)	25 (16.9%)	3.59
3	Company help new and old employees to	9 (6.1%)	18 (12.2%)	27 (18.2%)	49 (33.1%)	45 (30.4%)	3.7

	acquire more knowledge						
4	The employees attend seminars and workshops	5 (3.4%)	9 (6.1%)	21 (14.2%)	86 (58.1%)	27 (18.2%)	3.82
5	In-service training opportunities are provided for the employees.	-	7 (4.7%)	47 (31.8%)	62 (41.9%)	32 (21.6%)	3.8

Table 4.5 indicates the results for the employee engagement. Regarding the question statement “Clear understanding of what is happening in the organization promote employee engagement in the organization,” the results show that out of the 148 respondents, 60 respondents indicated ‘agree’ representing 40.5%; followed by 43 respondents who indicated ‘strongly agree’ representing 29.1%; 30 respondents indicated ‘neutral’ representing 20.3% and 15 respondents indicated ‘disagree’ representing 10.1%. This shows that the majority of the employees were in support of the statement “Clear understanding of what is happening in the organization promote employee engagement in the organization” with a mean of 3.89.

The results on the question statement “Opportunities to feed upwards are provided to the employees” reveals that out of the 148 respondents, 65 respondents indicated ‘agree’ representing 43.9%; followed by 36 respondents who indicated ‘strongly agree’ representing 24.3%; 32 respondents indicated ‘neutral’ representing 21.6%; 10 respondents indicated ‘disagree’ representing 6.8% and 5 respondents indicated ‘strongly disagree’ representing 3.4%. This shows that the majority of the employees were in support of the statement “Opportunities to feed upwards are provided to the employees” with a mean of 3.79.

The question statement “Employees are well-informed about what is happening in the organization” reveals that out of the 148 respondents, 60 respondents indicated ‘agree’ representing 40.5%; followed by 46 respondents who indicated ‘neutral’ representing 31.1%; 32 respondents indicated ‘strongly agree’ representing 21.6%; 5 respondents indicated ‘disagree’ representing 3.4%; and 5 respondents

indicated ‘strongly disagree’ representing 3.4%. This shows that the majority of the employees were in support of the statement “Employees are well-informed about what is happening in the organization” with a mean of 3.74.

In addition, the question statement that “Employees are listened to, supported, and recognized for their contributions” reveals that out of the 148 respondents, 72 respondents indicated ‘agree’ representing 48.6%; followed by 46 respondents who indicated ‘neutral’ representing 31.1%; 24 respondents indicated ‘strongly agree’ representing 16.2%; and 6 respondents indicated ‘disagree’ representing 4.1%. This shows that the majority of the employees were in support of the statement “Employees are listened to, supported, and recognized for their contributions” with a mean of 3.77.

Finally, the question statement “The management always expresses it appreciation to employees” reveals that out of the 148 respondents, 56 respondents indicated ‘neutral’ representing 37.86%; followed by 54 respondents who indicated ‘agree’ representing 36.5%; 19 respondents indicated ‘strongly agree’ representing 12.8%; 14 respondents indicated ‘disagree’ representing 9.5%; and 5 respondents indicated ‘strongly disagree’ representing 3.4%. This shows that the majority of the employees were in support of the statement “The management always expresses it appreciation to employees” with a mean of 3.46.

Table 4.5

Employee Engagement

SN	Item Statement	SD	D	N	A	SA	Mean
1	Clear understanding of what is happening in the organization promote employee engagement in the organization	-	15 (10.1%)	30 (20.3%)	60 (4.5%)	43 (29.1%)	3.89
2	Opportunities to feed upwards are provided to the employees	5 (3.4%)	10 (6.8%)	32 (21.6%)	65 (43.9%)	36. (24.3%)	3.79
3	Employees are well-informed about what is happening in the organization.	5 (3.4%)	5 (3.4%)	46 (31.1%)	60 (40.5%)	32 (21.6%)	3.74
4	Employees are listened to, supported, and recognized for their	-	6 (4.1%)	46 (31.1%)	72 (48.6%)	24 (16.2%)	3.77

	contributions						
5	The management always expresses its appreciation to employees.	5 (3.4%)	14 (9.5%)	56 (37.8%)	54 (36.5%)	19 (12.8%)	3.46

Hypotheses Testing

H1: There is significance relationship between employee communication and employee engagement in Celestica Malaysia Sdn. Bhd.

Table 4.6 presents the correlation between employee communication and employee engagement. The results show that a strong correlation was found ($r = .640$, $p < .05$), indicating a significant relationship that employee communication influences employee engagement. Hence hypothesis (H1) which states that *there is significance relationship between employee communication and employee engagement in Celestica Malaysia Sdn. Bhd is accepted*

Table 4.6

Correlations

	Employee communication	Employee engagement
Employee communication	1	.
Employee engagement	.640**	1

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

H2: There is significance relationship reward and recognition and employee engagement in Celestica Malaysia Sdn. Bhd.

Table 4.7 presents the correlation between employee rewards and recognition and employee engagement. The results show that a strong correlation was found ($r = .673$, $p < .05$), indicating a significant relationship that employee rewards and recognition influences employee engagement. Hence hypothesis (H2) which states that *there is significance relationship between employee rewards and recognition and employee engagement in Celestica Malaysia Sdn. Bhd is accepted*

Table 4.7*Correlations*

	Employee rewards and recognition	Employee engagement
Employee rewards and_ recognition	1	
Employee engagement	.673**	1

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

H3: There is significance relationship between employee development and employee engagement in Celestica Malaysia Sdn. Bhd.

Table 4.7 presents the correlation between employee development and employee engagement. The results show that a strong correlation was found ($r = .535$, $p < .05$), indicating a significant relationship that employee development influences employee engagement. Hence hypothesis (H2) which states that *there is significance relationship between employee development and employee engagement in Celestica Malaysia Sdn. Bhd is accepted*

Table
Correlation

	Employee development	Employee engagement
Employee development	1	
Employee engagement	.535**	1

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

H4:

Multiple Regression is a statistical tool that allows you to examine how multiple independent variables are related to a dependent variable. From the tabl, it shows sufficient explanation or the variance. The Multiple Regression Analysis (MRA) treated the dimension of dependent variables and independent variables separately. This is a way to recognize whether there is significant relationship between independent variables and dependent variables or not. The model sufficiently explained the variance or coefficient of determination or the R Squared in the effect of control variables relations. Three independent variables that are recognized in this research are employee communication, rewards and recognition and employee development.

The Multiple R shows a substantial correlation between the three independent or predictor variables and the dependent variables which is employee engagement ($R = .513$). The R-square value identifies the portion of the variance accounted for by the independent variable that is approximately 43.2% of the variance in the employee engagement is accounted for by employee communication, rewards and recognition and employee development. This value indicates that those three factors explained employee engagement by 263%. Its mean that there are also some other factors which not be considered.

The Adjusted R Square is considered a better population estimate and is useful when comparing the R Square values between models with different number of independent variables. The value of Adjusted R Square obtained is .240, illustrate that 24% changes of dependent variable which is the employee engagement can be explained by the three independent variables which are employee communication, rewards and recognition and employee development. The other 58.6% are explaining by other factor.

The results also shown that all the independents variables are significantly correlated to employee engagement with coefficient alpha $< .0001$

The beta (β) value for employee communication ($\beta = .207$), employee development ($\beta = .633$), and rewards and recognition ($\beta = -.311$) explain the significance of the three independent variables to employee engagement. Among all three variable, employee development ($\beta = .633$) is the strongest variables, followed by employee communication ($\beta = -.207$) and rewards and recognition ($\beta = -.311$)

Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error			
	(Constant)	1.453	.423		
Employee communication	.207	.082	.227	2.532	.013
¹ Employee_reward_and_recognition	-.311	.166	-.280	1.870	.065
Employee development	.633	.155	.615	4.092	.000

a. Dependent Variable: Employee engagement, $F = 11.43$, $R = .513$, $R\text{-A=Square} = .263$

Summary of the findings

SN	Hypotheses Statement	Decision
H1	There is a positive relationship between employee communication and employee engagement	Accepted
H2	There is a positive relationship between rewards and recognition and employee engagement	Accepted
H3	There is a positive relationship between employee development and employee engagement	Accepted

CHAPTER 5

DISCUSSION, CONCLUSION AND RECOMMENDATION

5.1 Introduction

In this chapter, the findings of the study will be further discussed and recommendations for future research are also suggested.

5.2 Discussion

The positive and acceptable coefficient value between employee communication and employee engagement indicates that employee communication is one of the important aspect that management should encourage in order to boost employee management relationship so that the organizational goals could be attained. This explained that, if employee is well informed on what the company is doing, being informed the reason behind why the company made a decision and information is being shared with them in timely manner, the engagement within the employee will be increased. This finding is parallel to the research conducted by the CIPD (2005) survey reported which that the two most important drivers of employee engagement are having opportunities to feed upwards and feeling well-informed about what is happening in the organization.

However, the positive relationship between rewards and recognition and employee engagement indicates that the company rewards its staff adequately and the in response to the gesture by the employee is increasing productivity. The finding validate the study conducted by Wellins, Bernthal & Mark, (2003) whereby employees who feel they are listened to, supported, and recognized for their contributions are likely to be more engaged. In the case of Celestica Malaysia Sdn. Bhd., employee are looking forward their success are being recognized by their managers and are currently satisfied with the recognition that they received.

The study showed strong support for the relationship between Employee communication, Rewards & Recognition, Employee development and Employee engagement.

In addition, the finding also indicates positive relationship between employee development and employee engagement. This finding is in consistent with previous research findings done by Wellins, Bernthal & Mark (2003), whereby most employees want to keep their jobs fresh and interesting by learning new approaches and building new skills. Hence, it is important for the organizations to create engagement in their workforce by building a learning culture and creating individual development plans for every employee.

It is recommended that organizations should provide suitable environment to enhance the effective communication among employees and support with Rewards as well as facilitate the necessary tools and proper training for enhancing employees development in order to have an effectiveness decision making.

Furthermore, the findings indicate that employee development is among the three independent variables that most important relates to the employee engagement. This finding is parallel with the ASTD research found that employee desire opportunity to growth and advancement in their organization have a direct effect on engagement whereby 65% of the respondents answered that the “quality of training and learning opportunities” positively influence employee engagement to a high or very high extent – the strongest response of the survey.

5.3 Limitation of the Study

This research is restricting by several limitations.

Firstly, the study is conducted within Celestica Company so the findings are limited to the organization as it cannot be generalized to other organization.

Secondly, financial constraint is another imitation while completing the projects paper. With a high budget research, researcher is left with small amount of budget to spend on.

Besides that being this is first time that the researcher is performing the research, the researcher does not have sufficient knowledge and experience in conducting the research. The researcher found that study on this subject is not an easy task since it requires many skills and high level of experience in all level of research.

5.4 Recommendations for Future Research

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

- Expand the study into other industries to enhance the consistency of results.
- Include other driver to measure employee engagement so that this will increase the accuracy of understanding the drivers that could impact the employee engagement.

It is recommended to identify another new critical factors that help to enhance the effectiveness of decision management such as Experience and technology

5.5 Conclusion

The four objectives in this study have been achieved whereby the results had shown that employee communication, rewards and recognition and employee development are related to group performance. Among all the three drivers of employee engagement, employee development is found to be the strongest drivers of employee engagement in the context of Celestica Malaysia Sdn. Bhd. Therefore, Celestica Malaysia Sdn. Bhd. should channel more time and resources in this area as it brings a great impact in enhancing the level of engagement in Celestica Malaysia Sdn. Bhd.

Overall the model is explained 43.8% (R square) of employee engagement. This value is considered as acceptable. However, researcher hope that more research will be conducted in the future in order to gain a whole understanding of employee engagement as other drivers may also contribute to employee engagement in Celestica Malaysia Sdn. Bhd.

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AL-MADINAH INTERNATIONAL UNIVERSITY



Dear Respondent,

I'm a student of the above named institution pursuing Master's in Business Management (By Research). This is a survey questionnaire for a study on Employee Engagement. I'm conducting this study titled **Factors Affecting Employee Engagement in Management Decisions: Celestica Malaysia Sdn. Bhd.-An Empirical Study** as a requirement for graduation. I will be obliged if you co-operate with me in completing this questionnaire. It will take approximately 15 minutes to complete the survey.

Kindly respond to the questions below, the responses will be treated confidentially. Please note that there is no right and wrong answers.

Since the questionnaire is being used for academic purpose, the information gathered will be strictly confidential.

Thank you for your participation in this study. Your contribution is greatly appreciated.

SECTION A: PERSONAL DETAILS

1. Please Indicate Your Gender: Male Female
2. Please Select Your Age Range: Below 25 25-34 35- 44 45-54 55 and above
3. Please Select Years of Service: Below 2yrs 2-4yrs 5-7yrs 8-10yrs above 10yrs
4. Please Select Your Highest Level of Education Attained
Primary Secondary Diploma Degree Master/PhD
5. Please Select Your Age Range: Below 25 25-34 35- 44 45-54 55 and above
6. What department do you work in your organization?
Human Resource IT Engineering Supply Chain Finance Quality

SECTION B

Please specify the extent to which you agree/disagree with the following statements

Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree
SD	D	U	A	SA

Please tick (○) the appropriate box

SN	Item Statement	SD	D	N	A	SD
1	The management staff ask employees how they feel	1	2	3	4	5
2	The management staff build trust and to foster personal relationships with one's employees	1	2	3	4	5
3	The management staff make communication to employee a regular routine	1	2	3	4	5
4	The management staff honestly respond to what one hears from employees	1	2	3	4	5
5	The management staff value employee feedback where employees are listened to without fear of reprisal	1	2	3	4	5
6	Promotion to a higher position associated with an increase in salary are made regularly	1	2	3	4	5
7	Employees are motivated to work in the organization	1	2	3	4	5
8	The employees enjoy benefits and compensation	1	2	3	4	5
9	The company provides proper pay system	1	2	3	4	5
10	Employees are motivated to work in the organization through various rewards	1	2	3	4	5
11	The company develops employee's skills	1	2	3	4	5
12	Training of employee as a means of staff development.	1	2	3	4	5
13	Company help new and old employees to acquire more knowledge	1	2	3	4	5
14	The employees attend seminars and workshops	1	2	3	4	5
15	In-service training opportunities are provided for the employees.	1	2	3	4	5
16	Clear understanding of what is happening in the organization promote employee engagement in the organization	1	2	3	4	5
17	Opportunities to feed upwards are provided to the employees	1	2	3	4	5
18	Employees are well-informed about what is happening in the organization.	1	2	3	4	5
19	Employees are listened to, supported, and recognized for their contributions	1	2	3	4	5
20	The management always expresses it appreciation to employees.	1	2	3	4	5