

UNIVERSITI TEKNOLOGI MARA

**PREDICTORS OF EMPLOYEE
ENGAGEMENT IN MALAYSIA
NATIONAL AUTOMOTIVE
COMPANIES, MODERATED BY JOB
DEMANDS AND TOTAL REWARD**

AKMAL LATIFF BIN AYOB

Dissertation submitted in fulfilment
of the requirements for the degree of
Doctor of Philosophy
(Business Management)

Arshad Ayub Graduate Business School

September 2019

ABSTRACT

As reported by Aon Hewitt, there are still a lot of countries including Malaysia in which their employee engagement score value was recorded below than global average score value that is at 65%. Malaysia employee engagement score values were recorded at 59% and 61% for the year 2017 and 2015 respectively. In Malaysia's national automotive manufacturing companies, the issue of low-quality condition of new vehicles is potentially caused by non-engaged employees. In academic literature, Job Demand-Resource is the most widely used theory in employee engagement study. But, there are still a few gaps associated with the theory (i.e., inconsistency finding). In addressing the research gaps, this present study aimed to search for an answer as to what extent job-related variables (i.e., Job Characteristics, and Job Demands), personal-related variable (i.e., Positive Psychological Capital), and Environmental-organizational related variable (i.e., Total Reward) influence Employee Engagement. The relationships among the variables were explained using two selected theories namely Job Demand-Resource Theory and Self Determination Theory. To get the answers, this study adopted a positivism ontology, empirical epistemology, and hypothetico-deductive method. All employees in Malaysia's national automotive manufacturing companies (i.e., Proton, Perodua, and Modenas) became the population due to the vision to transform Malaysia's automotive industry to be one of the important components for our economy under National Automotive Policy (NAP) 2014. The unit of analysis was the employee which means the variables were measured at individual level. Quantitative data analysis was divided into two (2) phases. The first phase employed Statistical Package for Social Science (SPSS) version 22.0 which involved the process of data editing, coding, entering, screening, and conducting descriptive statistics. The second phase employed Partial Least Squares Structural Equation Modeling (PLS-SEM) using SmartPLS Version 3.0 to test the hypothesis. The study findings revealed that to engage employees who work in Malaysia's national automotive manufacturing companies, they need the employer to provide them a combination of Job-related variables, Personal-related variable, and Organizational-Environmental related variable in the workplace. Specifically, the employer needs to provide Job Characteristics regarding Job Identity, and optimal Job Demands with regard to Quantitative Job Demands and Emotional Job Demands. The combined effect between Job Identity and Quantitative Job Demands increased employees' intrinsic motivation to engage. The employees' intrinsic motivation also increased when the employer provided Emotional Job Demands, and a culture of recognition and appreciation (i.e., Non-financial reward) practiced in their workplace. It is also important to note that the findings suggest the need for an employer to employ employees with Positive Psychological Capital regarding Hope, Resilience, and Optimism as to engage the employees at work.

Keywords: Employee Engagement, Job Characteristics, Positive Psychological Capital, Job Demands, Total Reward.

ACKNOWLEDGEMENT



Firstly, my most humble and deepest appreciation goes to my main supervisor Associate Professor Dr. Hjh. Norzanah Bt. Mat Nor.

Thank you for your guidance, support, patience and ideas in assisting me with this project. My learning process with you to finish this study is the most “unforgettable memory” that I have ever had in this journey. My further appreciation goes to my co-supervisor, *Dr. Hadijah Bt. Iberahim* and UiTM Administration Staff Puan Fazreen bt Abdul Wahab. My classmates especially to *Dr. Capt. Raja Muhammad Yusof B. Raja Aziz*, *Dr. Zulkiflie B. Abd. Aziz*, *Ir Khorulnizam B. Hussain*, *En. Abdul Razak*, *En Muhammad Adam*, *En. Dzulfakar*, *Puan Suzana*, *Puan Nik Faizah* and OTHERS.

Secondly, I would like to further acknowledge and thank my father *Tuan Hj. Ayob Bin Lazim*, my mother *Puan Hjh. Che Hawa Bt Abdullah*, my Father-in-Law *Tuan Hj. Abd Rani B Din*, My Mother-in-Law *Puan Hjh. Jariah Bt Majid*. My Lovely and supportive wife *Puan. Rozaireen Bt. Abd Rani*, our first son *Raiff Zyan* who was born during my ninth semester in this journey, my brother *En. Muhammad Nazri B. Ayob*, and ALL MY FAMILY MEMBERS; *En. Khairun Anwar*, *En. Muhammad Fikri*, *En. Muhammad Fawwaz*, *En. Muhammad Hafiz*, and *En. Muhammad Faiz Hilmi*. Thank you for your ‘Prayer’ and ‘Doa’.

Thirdly, I would like to further acknowledge my bosses who always encouraged and gave support for me to further my study: *En. Muhammad Ariff B. Muhammad Afandi*, *En. Hisham B. Albakri* and *Puan Lili Sofida Bt. Ibrahim*. Thank you for all the understanding and support.

Fourthly, Thank You EVERYONE at KLCC PROJECT and PUTRAJAYA HOLDINGS SDN BHD especially to *En. Abdul Ghafur B. Hj. Ishak*, *Ir Maruan Ariff B. Ariffin*, *Ir Ahmad Mahayuddin B. Ismail*, *En. Muhammad Firdaus B. Zulkafli*, *En. Hazrul Fikra B. Hamzah*, *En. Mior Zaini B. Yusof*, *Puan Norhayati Bt. Hassan*, *Puan Roshidah Bt Yazid*, *Puan Anna Alinawati*, *Cik Siti Nuratikah*, *Puan Wan Syafrinaz Bt. Wan Hamzah*, *Pn. Rosnahaniza Bt. Shamsudin*, *Pn. Anis Zakiah Bt Zakaria*, *En Muhammad Hanafi B. Saat*, *En. Muhammad Zaki B. Ismail*, *En. Alsyakrin Rafwani bin Mohamad Kamarudin*, *En Muhammad Ehsan*, *En. Mohamad Rohaizad*, *En. Azizan Bin Ismail*, and OTHERS.

Lastly, to ALL MY OLD FRIENDS especially *En. Muhammad Nizar B. Othman*, *En. Muhammad Dani B. Hussain*, *En. Sofian B. Biyamin*, *En. Muhammad Muslim B. Musa*, *En. Fuzai Syadriq B. Muhammad Fuad*, *Hj. Khursani Bin Mat Akhir*, *En. Aswadi Bin Abd. Aziz*, *En. Abd Shukor B. Abd Jalil*, *En. Izhar B. Haron*, *En. Zahari*, *En. Zanizan*, *En. Samli*, *Pn. Marlia*, *En. Wan Hasnimi* and OTHERS, who knew and supported my journey in this study.

MANY PEOPLE HAVE CONTRIBUTED TO THIS IN MANY DIFFERENT WAYS, THANK YOU SO MUCH

TABLE OF CONTENTS

| | Page |
|---|-------------|
| CONFIRMATION BY PANEL OF EXAMINERS | ii |
| AUTHOR'S DECLARATION | iii |
| ABSTRACT | iv |
| ACKNOWLEDGEMENT | v |
| TABLE OF CONTENTS | vi |
| LIST OF TABLES | xii |
| LIST OF FIGURES | xv |
| LIST OF ABBREVIATIONS | xvi |
| | |
| CHAPTER ONE: INTRODUCTION | 1 |
| 1.1 Preamble | 1 |
| 1.2 Background of the Study | 1 |
| 1.3 Problem Statement | 6 |
| 1.4 Objectives of the Study | 11 |
| 1.5 Research Questions | 12 |
| 1.6 Significant Contributions of the Study | 12 |
| 1.7 Scope of the Study | 14 |
| 1.8 Definitions of Terms | 16 |
| 1.9 Organization of the Thesis | 20 |
| | |
| CHAPTER TWO: LITERATURE REVIEW | 22 |
| 2.1 Preamble | 22 |
| 2.2 The Emergence of Employee Engagement | 22 |
| 2.3 Conceptualizing of Employee Engagement | 24 |
| 2.3.1 The Needs-Satisfying Approach | 27 |
| 2.3.2 The Burnout-Antithesis Approach | 28 |
| 2.3.3 The Satisfaction-Engagement Approach | 28 |
| 2.3.4 The Multidimensional Approach | 29 |
| 2.3.5 The Selected Concept of Employee Engagement in this study | 30 |
| 2.3.6 The Distinction with Similar Concepts (or Constructs) | 32 |

CHAPTER ONE

INTRODUCTION

1.1 Preamble

The purpose of this chapter is to discuss the background of the study which highlights the preferable and current situation in a practitioner's and academic's area, followed by problem statements which discuss gaps in the current situation and literature highlighted from a practitioner's and academic's perspective. Also included in the problem statement are the general objective and question for the study. General objective specifies the 'focus' of the study, and a general question specifies 'what' the author wants to learn about the topic (Sekaran & Bougie, 2013). Moreover, this chapter covers the specific objectives and questions, significance and scope of the study, and definitions of terms, while organization of the thesis is highlighted at the end of the chapter.

1.2 Background of the Study

Employee engagement has risen the agenda of HR practitioners to become a dominant concern in all sectors (Bailey, 2016; Guest, 2014) and has been quickly absorbed in the HR agenda (Smith & Markwick, 2009). One of the reasons for this level of interest in employee engagement has been the accumulation of evidence accessible to practitioners which suggests that employee engagement is associated with a range of beneficial outcomes (Bailey, 2016; Smith & Markwick, 2009) such as employee retention, productivity, loyalty, quality, and job performance (Ahlowalia, Tiwary & Jha, 2014; Markos & Sridevi, 2010; Smith & Markwick, 2009). As highlighted in Krames (2005; page 162) and mentioned by former CEO of General Electric, Jack Welch, 'there are only three measurements that tell you nearly everything you need to know about your organization's overall performance; Employee Engagement, Customer Satisfaction, and Cash Flow. It goes without saying that no company, small or large, can win over the long run without energized employees who believe in the mission and understand how to achieve it'.