

UNIVERSITI TEKNOLOGI MARA

**ORGANIZATIONAL JUSTICE,
ORGANIZATIONAL LEARNING AND
ORGANIZATIONAL IMAGE ON
ENGAGEMENT OF YOUNG EMPLOYEES IN
COMMERCIAL BANKS**

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ABSTRACT

Young employees in organizations are becoming more demanding concerning justice and career development. The working culture of young employees is different compared to previous generations. Being different, this cohort brings in the “job hop” phenomena into the workforce and the attitude has observed reduction in level of engagement towards organizations. Engaged employees are important in organizations to enable them to acquire more knowledge and become multi skilled human capital through in-depth experience, with the assistance and support from mentor, coach and supervisor from the organizations. Scholars globally have been studied job satisfaction, job commitment, organizational citizenship behavior and the like among employees. However, there is still a dearth in studies to examine the relationship between employee engagement with organizational justice and organizational learning. This study examined the relationship between employee engagement with organizational justice and organizational learning, and the role of organizational image as mediator. The dependent variable was employee engagement, independent variables were organizational justice and organizational learning and organizational image was the mediating variable. For organizational justice, 3 dimensions were used in this study (1) distributive justice (2) procedural justice (3) interactional justice. Three dimensions were also used for organizational learning, (1) training (2) mentoring and (3) coaching. The underpinning theory used to support this study is the social exchange theory and socialization theory. The social exchange theory stated that organizations are forums for transactions where activities voluntarily exchange from individuals towards the organizations, while socialization theory stated that a protégé who has a good relationship with his or her mentor tend to produce better work quality compare to protégé who does not mentor. Results are in the form of positive outcome or otherwise and it depends on the perception of fairness felt by employees towards the organizations and good mentoring and training system that organization provide to employees. Sample used in this study are 413 young bankers from five commercial banks in Kuala Lumpur, Malaysia. Primary data were collected using survey questionnaire that was personally distributed to the participants at the participating banks. Data obtained were analyzed using SPSS. The type of study is a correlation study and the aim was to examine the variables that are associated with the problem instead of trying to establish the definitive cause and effect relationship. In examining the variables, a few types of analysis were conducted, (1) descriptive analysis (2) factor analysis (3) reliability test (4) response bias analysis (5) one-way ANOVA (6) correlation analysis and (7) multiple regression analysis. The results found indicated that employee engagement, the dependent variable, was conceptualized into two dimensions, i.e., engagement feelings and engagement loyalty. It also shows that (1) distributive justice, interactional justice, mentoring and training predict engagement feelings (2) only distributive justice predicts engagement loyalty; (3) organizational image partially mediates the relationship between distributive justice, interactional justice, mentoring and training with engagement feelings, and (3) organizational image partially mediates the relationship between distributive justice with engagement loyalty. The findings are useful in assisting Human Resource management team and Human Resource consulting firms in Malaysia to provide useful suggestions and recommendations in promoting the increase in level of engagement among young employees and ultimately contribute towards long term organizational success.

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CHAPTER ONE

INTRODUCTION

1.1 INTRODUCTION

This chapter provides an overview on the background of the study and defines the problem statement that motivates the study. Objectives of the study and the research questions are also described. This chapter also explains the significant, justification and scope of the study.

1.2 BACKGROUND OF THE STUDY

One of the agenda listed by the Malaysian government in the New Key Result Area (NKRA) is to have a multi-skilled human capital. NKRA was developed by the Malaysian government in 2010. This is the strategy planned to materialize the whole Economic Transformation Plan (ETP). One way of achieving the mission would be through enhancing the work attitude and developing the knowledge of fresh graduates who just left the university, i.e., becoming young employees and new to the workforce. The agenda is seen feasible if young employees are engaged and devoted towards their work in contributing and delivering success to the organizations (Gruman & Saks, 2011). This is important in view that human capital or the employees are the most critical organizational asset, because they are the core element in ensuring sustainability of competitive advantage (Barney, 2001). Therefore, organizations must give their fullest emphasis in ensuring that the employees are engaged.

Employee engagement is a new construct and the scope is vast as its definition is different from the earlier concepts discovered by scholars (Saks, 2006; Rafferty, Maben, West & Robinson, 2005), for example job commitment, organizational citizenship behavior and job satisfaction. The concept of employee engagement involves the concept of relationship between the employees and employer while previous concepts were more on the employee alone (Rafferty, Maben, West & Robinson, 2005). Employee engagement is defined by Harter, Schmidt and Hayes, (2002) as individual involvement and satisfaction as well as enthusiasm for work.