

**UNIVERSITI TEKNOLOGI MARA**

**A STUDY ON THE INFLUENCE OF  
EMPLOYEE ENGAGEMENT  
ATTITUDES AND EMPLOYEE  
CREATIVITY AND INNOVATION AT  
SELECTED GOVERNMENT LINKED  
COMPANIES (GLCs)**

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## **ABSTRACT**

Achieving national vision of 2020 requires for creativity and innovation of human capital. Employees are encouraged to be engaged for creativity and innovation. Transformational leadership style is also suggested by previous studies to play role in generation and implementation of novel ideas. The objectives of this study are to determine the level of employee creativity and innovation in selected Government Linked Companies (GLCs), examine the relationship of employee engagement attitudes and employee creativity and innovation and examine moderation role of transformational leadership in the relationship between employee engagement attitudes and employee creativity and innovation. The employee engagement attitudes in this study are involvement, empowerment and commitment. This study was quantitatively done with a total of 151 respondents at selected GLCs in Kuala Terengganu. PLS-SEM is employed as main data analysis. It was found that the level of employee creativity and innovation is high at GLCs, employee engagement attitudes which are employee empowerment and employee commitment is positively related with employee creativity and innovation. Meanwhile, the relationship between employee involvement and employee creativity and innovation is not supported. The moderation role of transformational leadership is also not supported. This study indicates that GLCs focus on employee creativity and innovation to increase organizational performance. This study highlights on the significance of employee engagement attitudes in employee creativity and innovation. This has added new knowledge for existing literature. Organization should invest for environment that could boost employee engagement.

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# CHAPTER ONE

## INTRODUCTION

### 1.1 Introduction

*“We have to innovate. No nation can be successful unless they are involved in innovative and creative activities.”* — Y.A.B Dato’ Sri Mohd. Najib bin Tun Razak (“Malaysian Innovators Journey of Creativity to Reality”, 2010)

The fifth prime minister of Malaysia, Y.A.B Dato’ Sri Mohd. Najib bin Tun Razak has summoned people to be innovative for a successful nation. The innovation is the result of creativity where the exploration and generation of new ideas that have taken place. As the human capital of the country, everybody should involve themselves to become creative and innovative in prospering our future. Creativity and innovation are mostly discussed in the literature as the significance for achieving organizational competitive advantages as well as helping the organization to stay in economic turbulence. Innovation and creativity increase organizational and performance and it boosts success for continuous existence of today organization. The recent studies have shown that organization anticipates the employee to improve in the creativity for organizational survival. Technology innovation can be considered the as best way in gaining competitive advantages (Rahdarpour & Taboli, 2016). An organization may achieve the target and everyday innovation through an innovative process and ultimately gaining competitive advantage (Anjum, Sabir, Makhdoom & Hussain, 2016). The employees who are engaged to bring the novel resources increase the organizational value.

As the need for our human capital to become creative and innovative, the first chapter is focused on the discussion of the foundation and formulation of the study. This study focused on how the employee creativity and innovation can be gained through employee engagement in the organization. Background of the study provides an overview of some current findings which related to the employee creativity and innovation, employee engagement and transformational leadership. It described the significance of employee creativity and innovation in the organization, employee engagement to gain the employee creativity and innovation and the role of