DETERMINANTS OF EMPLOYEE ENGAGEMENT AMONG ASSISTANT REGISTRARS OF PUBLIC UNIVERSITIES IN MALAYSIA AND MODERATING EFFECT OF AGE, GENDER AND LENGTH SERVICE

by

RUSWAHIDA IBNU RUSLAN
1343011037

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UNIVERSITI MALAYSIA PERLIS

DECLARATION OF THESIS

Author's full name : <u>RUSWAHIDA BINTI IBNU RUSLAN</u>

Date of birth : <u>14 / 01 / 1981</u>

Title : <u>Determinants of Employee Engagement Among Assistant Registrars of Public Universities in Malaysia and Moderating Effect of Age, Gender and Length of Services.</u>

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HEIs	Higher Education Institutions
HR	Human Resource
IV	Independent Variable
DV	Dependent Variable
MV	Moderating Variable
PLS	Partial Least Square
AMOS	Analysis of Moment Structure (AMOS)
EM	Expectation Maximisation
AVE	Average Variance Extracted
VIF	Variance Inflation Factor
SET	Social Exchange Theory
PLS-MGA	Partial Least Square- Multi Group Analysis
SET	Social Exchange Theory
POS	Perceived Organisational Support
OCB	Organizational Citizenship Behaviours

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Penentu Penglibatan Pekerja Di Kalangan Penolong Pendaftar Universiti Awam Di Malaysia dan Kesan Penyederhanaan Umur, Jantina dan Tempoh Perkhidmatan

ABSTRAK

Penglibatan pekerja telah menerima banyak perhatian pada dekad yang lalu daripada akhbar perniagaan popular, termasuk firma perunding dan masyarakat pengamal. Mereka mendakwa bahawa penglibatan pekerja merupakan amalan sumber manusia baharu yang boleh digunakan oleh organisasi perniagaan untuk menghadapi ketidaktentuan keadaan industri yang berdaya saing. Walau bagaimanapun, bagi komuniti akademik, konsep ini masih baharu. Justeru, kajian yang mendalam diperlukan untuk mengesahkan konsep ini. Memandangkan hasil penyelidikan yang ada sekarang belum mampu meneroka sepenuhnya kepentingan praktikal penglibatan pekerja, persoalan asas tentang pembolehubah yang menyumbang kepada penglibatan pekerja dan manfaatnya kepada individu dan organisasi masih memerlukan jawapan. Bagi meneliti isu ini, dengan bersandarkan teori keadaan psikologi Kahn, teori pertukaran sosial, teori komitmen pekerja, teori jenis kepimpinan dan teori kepercayaan pekerja, kajian ini menyarankan satu kerangka kerja dengan menitikberatkan penglibatan pekerja. Seramai 400 orang penolong pendaftar dari dua puluh buah universiti awam di Malaysia telah mengambil bahagian dalam kajian ini. Data dikumpul melalui soal selidik kendiri menggunakan pautan kaji selidik *Monkey*. Pendekatan Kuasa Dua Terkecil Separa untuk Pemodelan Persamaan Berstruktur (PLS-SEM) merupakan teknik statistik utama yang digunakan dalam kajian ini. Dapatan kajian memperlihatkan keselamatan psikologi, anugerah dan penghargaan, pembangunan pekerja, komitmen afektif, kepercayaan pekerja, komitmen normatif dan jenis kepimpinan mempunyai hubungan yang signifikan dengan penglibatan pekerja manakala bermaknanya psikologi, ketersediaan psikologi, komunikasi pekerja dan komitmen berterusan tidak mempunyai apa-apa kesan yang besar ke atas penglibatan pekerja. Pembolehubah moderator (umur, dan tempoh perkhidmatan) didapati mempunyai hubungan signifikan separa dengan penglibatan pekerja. Kajian ini telah berjaya membangunkan satu rangka kerja yang boleh digunakan oleh penyelidik dan pengamal untuk mengukur penglibatan pekerja dan ia dinamakan sebagai PREALEN.

Determinants of Employee Engagement among Assistant Registrars of Public Universities in Malaysia and Moderating Effect of Age, Gender and Length of Service

ABSTRACT

Employee engagement has received a great deal of attention in the last decade from popular business press, including consulting firms and practitioner community. They claim that employee engagement is a new human resource practice that can be used by business organisations in order to cope with the uncertainty of competitive industrial conditions. However, in the academic community, the concept is still new. Therefore, the concept requires rigorous seminal studies for it to be validated. Given that practical interest in employee engagement which has outstripped the currently available research evidence, fundamental questions as which variables contribute the most to employee engagement and how and why they benefit individuals and organisations, still remain unanswered. To examine this issue, grounded by Kahn's psychological conditions theory, job resources theory, employee commitment theory, leadership styles theory and employee trust theory, this study proposes a new framework by decomposing employee engagement. A total of 400 assistant registrars from twenty public universities in Malaysia participated in this study. Data were collected through questionnaires (survey monkey hyperlink). The Partial Least Squares approach to Structural Equation Modelling (PLS-SEM) was the main statistical technique employed in this study. The findings of the study revealed that psychological safety, rewards and recognition, employee development, affective commitment, employee trust, normative commitment and leadership styles were found to have a significant relationship with employee engagement. The psychological meaningfulness, psychological availability, employee communication and continuance commitment were not found to have any significant effect on employee engagement. The moderating variables (age, and length of service) were found to have partially significant relationship with employee engagement. This study has successfully developed a framework, PREALEN, which can be used by future researchers and practitioners to measure employee engagement.

CHAPTER 1

INTRODUCTION

1.1 Background of Study

Dynamic changes are frequently witnessed in the business industry and society due to globalisation in the recent years. Topping this are the ever increasing competition and organisations rushing to increase their profits. Various strategies have to be focused on, in order for a longer survival in this globalised world. We can no longer focus only on increasing sales or refining services but we also have to pay attention to retaining talented workers whom have high performance and are competent (Berger & Berger, 2004). There are many ways or means to go about it, one of them is employee engagement. Employee engagement in the recent years has emerged as a crucial driver of business success. When an employee believes in the mission, purpose and values of an organisation, that is called employee engagement. Employees' actions and attitude towards their employers and customers demonstrate their commitment (Stockley, 2007).

Needless to say, employee engagement is an important field to an organisation for it is a primary source in creating competitive advantage in increasing the organisation's performance and productivity. Organisation with high level of employee engagement is reported to have positive organisational outcomes such as a good commitment (Shuck & Wollard, 2010; Kular, Gatenby, Rees, Soane, & Truss, 2008; Harter, Schmidt, & Hayes, 2002).

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Engaged employees display high level of energy and are very much involved in their work (Macey & Schneider 2008; May, Gilson, & Harter, 2004). As such, absenteeism is not an issue with engaged employees whom have an average of 27% less physical absenteeism compared to their peers (Wagner & Harter, 2006).

In conjunction with that, there are a few studies depicted the existence of decreasing level of employee engagement among employees. According to Gallup's daily tracking, employee disengagement problems have created a huge impact on the economy in Germany. About 15% of workers in Germany are engaged with their jobs, while 61% are disengaged and 24% are actively disengaged. These actively disengaged employees costs the economy between 112 billion and 138 billion euro per year in lost of production (Marco, 2013). Besides that, DTZ Consulting and Research (2007) revealed that productivity, organisational performance and outcomes for customers show the effect of engagement. Committed employees perform 20% better with improvement shown from low to high levels of engagement and consequently 20 percentile points increase in employee performance as found from a study conducted by Corporate Leadership Council (2004) on engagement levels of over 50,000 employees all over the world. This fact has been further reinforced by an ISR survey on 360,000 employees attached to 41 companies whom make up the world's 10 largest economies where the operating margin and net profit margin of companies with low engagement decrease for three consecutive years as pointed out by Meere (2005).

The public higher education institutions in Malaysia, which is the focus of this study, have entered a new era of international competition, whereby these organisations participate in a various international events to enhance their visibility and improve their

respective university systems (Norzaini, 2012). The current knowledge-based economy spurs the demand for highly educated and specialised people. In order to capture this demand, a good quality higher education institution is essential. This is evidenced by the priority placed on higher education institution by the Malaysian government (Ninth Malaysia Plan 2006–2010, 2006; Ministry of Higher Education Malaysia, 2007).

On the other hand, efforts to increase quality standards of public universities to a higher level were focused on three parts which are:, part 1 institutional pillars – strengthening of institutions, part 2 critical agenda, and part 3 implementation of support. This has been introduced by the Ministry of Higher Education in their planned objective which is National Higher Education Strategic Plan 2007 (Ministry of Higher Education Malaysia, 2007). The Universities and University Colleges Act of 1971 was amended in 1996 and 2009 for the purpose of realigning the governance of universities with these new forms and demands (Universities and University Colleges Act Amendment Act 2009). Malaysian public universities' practice top down management approach in regards to their governance. Vice-Chancellor is at the top of the governance hierarchical, followed by Deputy Vice-Chancellor, with Registrar and Bursar at the next rung and Deans and Head of Departments sit at the top of faculties and schools' level (Norzaini, 2012).

It is interesting to note that according to a study conducted at selected public universities in Malaysia, human competency coming from especially the non-academic administrators should be the group that consists of experienced members of the management support system (Norzaini, 2012). Further to note, as mentioned by

Newstorm (2007), employees experiencing career development and success have stronger and longer commitment to remain with their organisation.

Looking at the roles of faculty in university, administrators are to advise respective administrations concerning curriculum development with instruction method, establishing degree requirements, in addition to managing tenure appointments, promotion and sabbatical (Norzaini, 2012). Based on the analysis of work published by UKM (2016), an administrative officer is the one whom is responsible for implementing the related management tasks such as human resource, budgeting procedure, developing working papers, developing curriculum and academician procedure with methods of instruction among them. This is further strengthen by the study done by Tierney (2004) whereby it is found that, thus efficient and effective system of governance can be achieved by having a close cooperation between administrators and faculty.

On the other hand, as strongly believed by the Vice Chancellor from two research universities in Malaysia where university governance can be further improved or make a difference when the strategies in place are translated into the university environment (Kementerian Pengajian Tinggi, 2014). Thus, an engaged environment has to be developed where every employee is equipped with the ability to assist the university to be efficient and effective (Norzaini, 2012). Administrators also need to engage in what Tierney (1991) refers to as "reasoned reflection" in understanding the organisational culture contributing to governance processes. Certainly, organisation will benefit when employee and employer are engaged (Cataldo, 2011). Engaged employees are motivated, committed to their organisation's goals and thus become the driving force of

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their organisation's future (Smith, 2013). Employers surely need dedicated and committed employees for their organisation to succeed in today's globally competitive business environment. (Cataldo, 2011).

Aiming to meet the challenges of employee engagement in today's organisations, psychological conditions, job resources, organisational commitment, leadership styles and employee trust are the factors identified in employee engagement. (Muthuveloo, Basbous, Ping, Long, 2013; Wang & Hsieh, 2013; Gruman & Saks, 2011 Schneider, Karen, & Scott, 2010; Wu, 2009; Batista-taran, Shuck, Gutierrez, & Baralt, 2009; Price, 2009; Kular et al., 2008; Lockwood, 2007; Vigoda-Gadot, 2007; Metzler, 2006; Saks, 2006; Kahn, 1990). Thus, it is important to develop and research studies that lead to a better identification and isolation of factors that contribute to employee engagement in a new economic environment with organisational outcomes.

Thus even in the higher education niches, university's management and administration also plays a vital role in achieving the desired level of employee engagement. At the same time, to be in tandem and ensure the Ministry of Higher Education's plan is smoothly executed, whereby employee engagement is an important issue that needs to be addressed (DTZ Consulting and Research, 2007). The work done by DTZ Consulting and Research (2007) denotes that positive impacts of employee engagement can bring changes and benefit to the public sectors. Thus, to provide a better quality in management in terms of supervision and administration, vision and goals must be clear and as such, the engagement of employees is identified as the major contributor for the change (DTZ Consulting and Research, 2007). In reference to 'peraturan-peraturan pegawai awam (kelakuan tatatertib)' (Rules and regulations for

public officials (discipline)) (1993), a circular set out for the public officials by the Public Service Department in which it was stated that the provisions under clause 4. (2)(e) an officer shall not be less efficient or effortless and under clause 4. (2)(g) a person shall be responsible for the performance of duties, is in line with Wagner & Harter (2006), whereby in this study the disengaged workers undermine what their engaged co-workers accomplishment and this will greatly affect the functioning of an organisation. In the university's context, the university's administrators hold a key position where the university's success is affected partially by the efficiency of its administrators. Administrators play the intermediary role between their superior and subordinate staff. They also form the backbone of the university's mission in ensuring that subordinates and other staffs are guided accordingly (Hazlan Abdul Hamid, 2002). As such, it is important for organisations involved in education to have effective engaging administrative workers for they dictate the tone, manner and style of the entire institution in addition to the quality of their daily work performance contributing to the quality of the relationships with faculties, students and the public (Scott, 1978 as referenced in Johnsrud & Rosser, 1999). They also need to handle human relationships in addition to addressing the need to effective communication, handling conflict and be flexible. They also act as a manager in planning, leading and coordinating all tasks in the department (Hazlan Abdul Hamid, 2002).

Furthermore, the other role of administrators is to manage activities or groups of activities, sequence and coordinate their operations, ensure work is properly performed, correct errors, and resolve conflicts which arise in their performance. The whole process of administration is one of decision making branches (Westmeyer, 1990)