Determinants of Employee Engagement in the Malaysian Health Care Industry

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Abstract: Employee engagement is becoming a major concern to employers in the era of globalisation particularly in the healthcare industry. In the Malaysian context the healthcare industry is becoming more attractive and it is preferred by patients all over the world. This is evident from the contribution of the healthcare industry to the GDP in 2016. This study hypothesised the relationship between pay and benefits, leadership style, communication, work life balance and employee engagement. Data for the study was collected from 151 employees working in four different healthcare services in the regions of Selangor and Melaka. The study used a self-administered questionnaire to collect the data. Correlation analysis and multiple regression were used to analyse the data. The findings revealed that all independent variables have a significant relationship with the dependent variable. However, leadership style is the most influencing factor among the four variables. In general, the findings of this study indicate that managers in the healthcare industry should be more focused on human resource management functions in order to increase the level of employee engagement and reduce the rate of retention.

Key words: Employee Engagement · Healthcare · Malaysia · Pay and Benefits · Leadership Style · Communication and Work Life Balance

INTRODUCTION

Employee engagement is defined as a form of commitment from the employees whether being an attachment psychological or emotional bonding and having focus towards long-term goals in their work [1]. According to Wiley [2], engagement is an outcome or a reflection of the organization policies and practices with the help of leadership and managerial skills possessed to promote employee engagement. Past researchers have identified many drivers of employee engagement which had an impact their performance and well-being at work [3] states that the number one driver of engagement is leadership and it is seen to be that way while others include career development, the image of the organization and employee empowerment [4]. Decker et al. highlighted that factors such as adaptability, talent development and communication are the key drivers of engagement. According to Bedarker and Pandita these drivers will have an impact of their level of morale, productivity and their reason to decide on either leave or stay in the company [5]. Studies have proved that employees who are less engaged or completely disengaged contributes to the rate of employee turnover due to lack of commitment and poor morale [1]. A study indicated that when healthcare organisations attempt to improve their levels of employee engagement they tend to achieve and sustain a higher rate of satisfaction among their patients [6]. Jarrar et al. [7] stated that today’s hospital quality has become national and international priorities. Employee engagement which is considered as output of commitment and dedication also assist in providing profound medical services to the society [4].

In the recent years Malaysia, has become the most preferred and prominent healthcare travel destination when compared to other countries in the Asian context. The healthcare industry in Malaysia is very attractive
since it offers world-class quality services which are trustworthy and affordable. It also ensures higher rate of
patient satisfaction. This is possible because of highly skilled healthcare professionals who have obtained their
education and training from reputed institutions around the world. Healthcare centres in Malaysia operate with
excellent facilities monitored by the government in order to cater the Malaysian citizens as well as non-citizens
from the rest of the world [8].

Hence, employee engagement is essential in healthcare services because it is closely associated with
patient safety [9, 10], patient satisfaction [11] and it assist organisations to control employee retention [12]. The
main objective of this study was to analyse the factors influencing employee engagement in the Malaysian
healthcare industry.

**Literature Review**

**Employee Engagement:** Employee engagement acts as an important tool in the management of talent that not only
strengthen the competitiveness of the firm but also, improve the image of the organization as it helps to reduce
the attrition rate of employees in business firm [13]. Employee commitment is mostly referring to the amount of
involvement that the employees put into the work activities [14]. Several investigators [15-17] stated that a
high degree of engagement will allow employees to be emotionally and intellectually committed to their work and
organisation.

**Work Life Balance:** In the Tower Watsons case study by Caldwell [3], their respondents had shown that they are able to balance their work and life duties and shows how this variable contributed towards employee
engagement. When an organization supports work-life balance, it improves the employee’s intention to stay
because they are given the power to perform their task in their own way, which also leads to a higher productivity
[2]. Work-life balance directly influences employee’s engagement which is a job resource that contributes to a
to a better productivity [18]. In addition, work-life balance is an employee’s attention towards four areas of fulfilment
which are made up of both personal and work, family role and also societal roles from [19-21]. Thus, it is
hypothesised as:

H1: Work life balance has a positive relationship with employee engagement.

**Communication:** According to Markos it is known that communication is a critical component to engagement at
work and leading to education and development [22]. Healthcare staff will feel a greater ownership to their
position when there is a form of empowerment, shared decision making, self-determination as well as shared
governance within the organization they work in Lawton [23]. Bedarker and Pandita argued that poor internal
communication on conveying the organizational values towards the people is considered as a barrier towards
employee engagement and then leads to their goals not being achieved at the given timeline [5]. Hence, it is
important to keep employees informed about how the organisation operates as well as what is expected out of
them. This will make employees to be more inclined with their duties as well as organisational policies and
operations. Thus, effective communication creates awareness in employees to prioritise their activities and
accomplish tasks on time [24-26]. Hence, it is hypothesised as:

H2: Communication has a positive relationship with employee engagement.

**Leadership Style:** Leadership style has a significant impact on employee engagement. Datche and Mukulu [27]
and Shbru and Darshan [28] highlighted that transformational leadership had a positive impact on
employee engagement whereas Wahyu [29] suggested that supportive leadership is highly associated with
employee engagement and other work-related behaviours. Leader behaviour induces work motivation, assist in
setting personal and work goals and finally play a key role setting harmonious work culture and environment [30].
Thus, leadership style becomes responsible for organisational commitment, job satisfaction and overall
organisational effectiveness as stated by Hayati et al. [31], Moore [32] and Bass et al. [33]. Thus, it is
hypothesised as:

H3: Leadership style has a positive relationship with employee engagement.

**Pay:** Pay has the ability to enhance employee engagement and support job satisfaction and work performance [34].
Sanchez and McCauley [35] stated that a fair pay with attractive benefits is the best human resource strategy to
inculcate positive work behaviour, high commitment and
loyalty towards work and organisation thereby reducing the rate of employee turnover [36-39]. However, to reduce the cost of turnover in the long run, employers in the health care services should somehow make adjustments to the pay of their staff periodically. This will support in achieving employee engagement and make their employees stay longer and be committed in providing better service to patients [40]. Thus, it is hypothesised as:

H4: Pay and benefits have a positive relationship with employee engagement.

RESULTS AND DISCUSSIONS

The descriptive analysis indicated that female respondents over took male respondents by the majority of 66.2% and 59.6% of the respondents were in the age group of 31-40 years. 40.4% of respondents were earning between RM3,100 to RM4,000 and 50% have completed a degree programme in the relevant field. 64.2 % of the respondents were married and 55% of them had children. It is observed that 34% respondents were nurses and 30% are medical officers.

The correlation analysis was conducted to test the relationship between the factors (Pay and benefits, leadership style, communication and work life balance) and employee engagement. The results are presented in Table 1. The highest correlation value is for work life balance ($r= 0.741$), followed by leadership style ($r= 0.739$), communication ($r= 0.731$) and pay and benefits ($r= 0.725$) which is the lowest. All of the five independent variables have positive relationship with employee engagement at 0.000 significance level. Therefore, it is evident that pay and benefits, leadership style, communication and work life balance have significant relationship with employee engagement among employees in the health care industry.

Table 1: Results of Correlation Analysis

<table>
<thead>
<tr>
<th></th>
<th>r</th>
<th>sig</th>
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</thead>
<tbody>
<tr>
<td>Pay and Benefits</td>
<td>0.725**</td>
<td>0.000</td>
</tr>
<tr>
<td>Leadership Style</td>
<td>0.739**</td>
<td>0.000</td>
</tr>
<tr>
<td>Communication</td>
<td>0.731**</td>
<td>0.000</td>
</tr>
<tr>
<td>Work Life Balance</td>
<td>0.741**</td>
<td>0.000</td>
</tr>
</tbody>
</table>

The results of multiple regressions are presented below in Table 2 and Table 3. The results in Table 2 indicate that the regression model was statistically significant and the $r$ square value of 0.576 indicates that 57.6% of the variation within the dependent variable could be explainable by the variation in the four independent variables. Furthermore, the F value is 51.861 and the $p$ value is 0.000 ($p<0.05$) Therefore, it means that all four independent variables predicts the dependent variable. The coefficient analysis result is presented in Table 3. The significant value showed that all of the factors have $p$ value below 0.05. This means all the factors are predictors. The highest beta value is for leadership style ($B= 0.393$). This indicates that leadership style is the most significant influencing factor on employee engagement among employees in the health care industry. This is followed by work life balance ($B= 0.387$), communication ($B= 0.342$) and the lowest is for pay and benefits ($B= 0.315; p<0.05$).
Table 2: Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.766a</td>
<td>0.576</td>
<td>0.566</td>
<td>0.412</td>
<td>51.861</td>
<td>.000</td>
</tr>
</tbody>
</table>

Predictors: (Constant), Pay and Benefit, Leadership, Work Life Balance, Communication
b. Dependent Variable: Employee Engagement

Table 3: Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardize Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>(Constant)</td>
<td>0.362</td>
<td>0.678</td>
</tr>
<tr>
<td>Leadership</td>
<td>.594</td>
<td>.137</td>
</tr>
<tr>
<td>Communication</td>
<td>.487</td>
<td>.129</td>
</tr>
<tr>
<td>Work Life Balance</td>
<td>.589</td>
<td>.134</td>
</tr>
<tr>
<td>Pay and Benefit</td>
<td>.473</td>
<td>.123</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Employee Engagement

Four factors were tested to determine which contributes to employee engagement and the findings indicated that all factors were predictors. In Malaysia, power distance is a common factor that contributes to the way how Malaysians perform their work ethics. Therefore, a manager or superior is perceived as a role model by majority of the employees. This prevails more in industries such as health care services. Thus, leadership style and leader behaviour influences employee attitude towards work ethics and commitment. In other words, for instance when a leader adopts a transformational leadership approach he or she assists their employees in developing positive work culture, an urge to learn and develop and also improve their rational thinking. This is supported by Men and Stacks [49-50].

Vecchio et al. [51] and Hassan and Ahmed [52] reported that information sharing is crucial in all businesses across the board as well as throughout the hierarchy. Therefore, sharing information regarding the work such as medical terms or updated clinical services, healthcare information among employees is essential to keep employees updated and well-equipped with knowledge and capabilities to perform their day to day activities. This enable employee to be active with their colleagues, superiors as well as patients. This is supported by Kazanowski and Sheldon [53], Shantz et al. [54], Halverson et al. [55] and Veld et al. [56]. Work life balance is closely associated with employee engagement. If there is an imbalance, it may lead to anxiety, stress and disharmony. It will also reduce employees ability to realise their personal as well professional potential. Thus, when employees are empowered to schedule and control their personal and work goals there is a potential increase in work engagement as well improvement in the quality of personal life. This is supported by Greenhaus et al. [57] and Cahill et al. According to Cahill et al. [58], Malik and Naeem [59] pay, benefits and other monetary rewards play a major role in determining employee motivation and positive attitude towards work. According to Maria Khalid et al. employees are considered as the most remarkable asset to any organisation [60]. Thus, these factors are responsible in inducing intrinsic motivation, job satisfaction, high performance through innovation and creativity and engagement among employees and this is supported by [61-63].

**CONCLUSIONS**

The study has both theoretical and practical implications. This study offers a more thorough understanding of what drives the level of employee engagement among employees in the health care services. This study also offers important insights for managers and employers of healthcare services to implement policies and strategize their human resource management functions to enhance employee engagement among their employees. The study has considerable limitations. Though the purpose of the study is to determine the drivers influencing employee engagement, it did not specify or categorise the actual sample population. It included all employees at different levels who varied in terms of education, salary, job description and other related factors. Hence, the findings of this study cannot be generalised. Another limitation of this study is the sample size and the data was collected only from four health care centres representing only two states in Malaysia. Employer’s and patients’ viewpoint can also be an area of future study especially in terms of employee
engagement and challenges faced. In addition, future study may consider an inclusion of additional variables to the existing ones studied here.

REFERENCES


