Asserting Effects of Recognition and Rewards, Work Life Balance and Internal Communication towards Employee Engagement among Employees of a Malaysian Engineering Company

Noor Azura Dahalan, Muhamad Khalil Omar, Dayang Nailul Munna Abg Abdullah,
Ridhawati Zakaria and Hairun Nafiza Abdullah

Universiti Teknologi MARA, Centre for Management and Administrative Studies,
Faculty of Business and Management, 42300. Puncak Alam, Malaysia

Abstract: This paper describes whether recognition and rewards, work-life balance, and internal communication contribute towards employee engagement among engineering employees in Malaysia. According to Employee Engagement Report [1], only 31 percent of employees are engaged in their jobs at global level. This statement supported by Shuck and Rose [2] who discovered that less than 30 percent of global employees are engaged. In Malaysian context, according to Kelly Global Workforce Index [3], the latest survey finds that Malaysia has come in below the global average of 31 per cent out of 31 countries for employee engagement, with only 28 per cent of Malaysian workers surveyed saying they are "totally committed" to their current employer. Using purposive samples of 113 employees of an engineering company in Malaysia, this study established that, all the three factors have the relationship with employee engagement. Therefore, the significance of this study is that it can help many organisations and corporate in forming their business strategy especially in rapidly changed engineering industry in Malaysia. This study can also provide the human resources management an understanding on which factors that could influence the employee engagement in which will improve their performance and make the organisation a profitable entity.

Key words: Employee engagement · Recognition and rewards · Work-life balance · Internal communication

INTRODUCTION

This research focuses on employee engagement. Although there are many factors that contribute towards employee engagement, however, recognition and rewards, work-life balance and internal communication are the independent variables in this study. According to Rasheed, Khan and Ramzan [4], the term employee engagement has taken an essential role on organizational effectiveness. According to Xu and Thomas [5], employee engagement concerns the extent to which individuals make full use of their cognitive, emotional and physical resources to perform their job. There are three different levels of employee engagement according to a study by Baron [6]. The first level of employee engagement is engaged employees. Engaged employees work with passion and a deep connection towards their organization. The second level of employee engagement is not engaged employees. Not engaged employees mostly do not have passion to do their work. The third level of employee engagement is actively disengaged employees. Actively disengaged employees are not just unhappy at work, but they are busy acting out their unhappiness. Employee engagement can be considered as cognitive, emotional and behavioral. Cognitive engagement refers to employees' beliefs about the organization, its leaders and the workplace culture. The emotional aspect is how employees feel about the organization, their leaders and their colleagues. The behavioral factor is the value added component reflected in the amount of effort employees put into their work (e.g., brainpower, extra time and energy).

Corresponding Author: Noor Azura Dahalan, Universiti Teknologi MARA, Centre for Management and Administrative Studies, Faculty of Business and Management, 42300. Puncak Alam. Malaysia.

Literature Review: Recognition and rewards are necessary attributes to employee engagement that motivates an employee to achieve more and focus more on work and personal development [7]. A study by Saks and Rotman [8] disclosed that recognition and rewards are significant factors of employee engagement. They realized that when employees receive rewards and recognition from their organization, they will feel grateful to respond with higher levels of engagement. Therefore irrespective of the quantity or type of reward, it is the employee's perception of the same that determines his/her content and thereby one's engagement in the job. Therefore it becomes essential for management to present acceptable standards of rewards and recognition for their employees, if they wish to achieve a high level of engagement. Extrinsic rewards are the tangible rewards generally of a financial nature such as increase in pay, bonuses and benefits given to employees. They are called extrinsic because they are external to the work itself and others control their size. Intrinsic recognition and rewards are psychological rewards that employees get from doing meaningful work and performing it well. According to Social Exchange Theory [9], when employees receive rewards and recognition from their organization, they will feel appreciative to exercise a fair exchange, by responding with increases the levels of engagement. At the local's views, a study of previous research conducted by Shahril [10] on Employee Engagement in Malaysia Education indicated that reward and recognition was the factors influencing employee engagement.

Additionally, work-life balance appears as another important factor of employee engagement [11]. According to Bedarkar and Pandita [11], the ability of the employee to find time for his work and family was an important factor to the success of the performance in the workplace. Work-life balance defined as employees' satisfaction and good functioning of multiple roles between work and non-work (family or personal) matters [12]. Most work-life balance initiatives comprise of flexi-time, which permits the employees to vary their start and finish times inclusive

certain numbers of core hours were worked. In the study of relationship of work-life balance and employee job engagement by Alvi, Cheema and Haneef [13], employees with stability work-life balance perform the proper and balance engagement during their personal life and organizational work. A study by Hallberg [14] has identified a relationship between excessive workload and emotional exhaustion. According to Cullen and McLaughlin [15], employees with stabile work-life balance perform the proper and balance engagement during their personal life and organizational work.

Internal communication is part of the important element in organizations to be more proactive. A study by Bedarkar and Pandita [11], internal communication is an organizational practice, which efficiently transmits the organizational values to all employees and thus, get the employees' support in achieving organizational objectives. Meanwhile, MacLeod and Clarke [16], highlight employees need a clear communication from supervisors to relate their job with leadership vision. Thus, it is crucial part to have a good internal communication in an organization toachieve its success. A conceptual model has been developed by Welch [17] to explain the impact of communication on employee engagement. This model identify as a three-component construct. This model results are innovation, competitiveness and organizational effectiveness, which are promoted by internal corporate communication. Employees need clear communication from top level management to enhance employee engagement. According to Papalexandris and Galanaki [18], when an organization has a well designed internal communication program, it will contribute toemployee engagement. Based on the literatures discussed earlier are illustrated in a research framework as per Figure 1.

Research Methodology: Quantitative method was used for conducting this research in order to identify employee engagement in one of a Malaysian engineering company. The population for this study was 190 employees in the
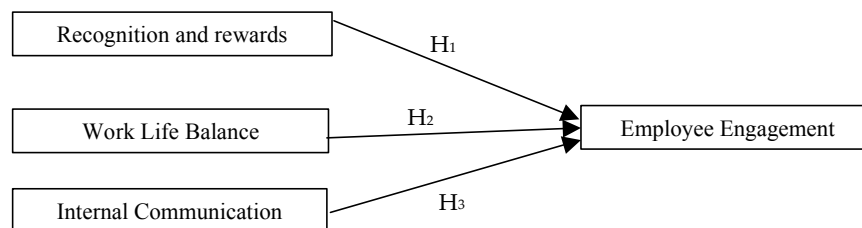

Fig. 1: Research Framework

selected engineering company and 113 technical employees was the chosen sample. The sampling size was based on the Krejcie and Morgan [19] table and non-probability sampling design of purposive sampling was the sampling technique of this study. Purposive sampling is confined to specific types of people who can provide the desired information, either because they are the only ones who have it, or confirm some criteria set by the researcher [20]. In this research, the researchers used structured questionnaire where all respondent received the same set of questionnaires. Employee engagement was measured using Saks's [8] six-item scale. The samples of item for employee engagement were, "I am enthusiastic about my job", "My job is meaningful to me" and "I keep trying when I face challenges". Respondents were asked to indicate their responses on a five-point Likert scale with (1) strongly disagree to (5) strongly agree.

Rewards and recognition was measured by using Saks's [8] ten-item scale. The sample of items for recognition and rewards were, "I deserve to receive a pay rise", "I am promoted if I perform well in my work" and "I have opportunities to join training and development programs. Respondents were asked to indicate their responses on a five-point Likert scale with (1) strongly disagree to (5) strongly agree.Work-life balance was measured using Omar's [12] seven-item scale. The samples of items were, "I am able to balance the needs of the job with personal or non-work life", "I am satisfied the way I divide my attention between work and non-work" and "My work life and personal life fit together". Respondents responded to all items by using five-point Likert scale with (1) strongly disagree to (5) strongly agree. Finally this study assessed the effectiveness of the internal communication Using Downs and Hazen's [21] ten-item Communication Satisfaction Questionnaire. The samples of items for internal communication were, "My supervisors listen and pay attention to me", "I received the information needed to do my job on time" and "Conflict are handled appropriately thorough proper communication channels". Respondent indicates their responses on a five-point Likert scale with (1) strongly disagree to (5) strongly agree.

Statistical Package for the Social Sciences or SPSS Version 20 was the software used in this study. Descriptive (frequency analysis) study are undertaken to describe the characteristics of employees (age, gender, department, year of employment, etc.). Reliability analysis used to measure the indication of the stability and consistency with which the instrument measures the concept and helps to assess the goodness of a measure [20]. Pearson correlation coefficient and regression were used in order to study the existence of relationships and impacts between variables. Other analysis such as independent sample t-test and one-way analysis of variance were also conducted to see any significance differences among groups of respondents with regards to studied variables.

RESULTS

The respondents of this study i.e. 113of a Malaysian engineering company employees were mainly males (55%), aged between 30 to 39 years old (35%), married (59%), having bachelor degree education (53%) and earning monthlygross income of between RM2001 to RM4000 (58%). As per Table 1, the results showed that Cronbach's Alpha values for all the variables used in the questionnaire are greater than 0.80 (á > 0.80), indicating that the questionnaire had fulfilled the minimum internal consistency reliability [20]. Table 1 also shows that the levels of all independent variables in this study were quite high.

As depicted in Table 2, there is a significant positive and strong relationships betweenrecognition and rewards and employee engagement (r=0.566, p < 0.01) as well as between internal communication and employee engagement (r=0.623, p < 0.01). Additionally the work-life balance was also significantly and positively related with employee engagementat a weak level (r=0.271, p < 0.01). Therefore, it was not surprising that an increment of all independent variables of this study i.e. recognition and reward, work-life balance and internal communication were positively associated with incremental of employee engagement. Therefore, all the hypothesized relationship between all independent variables of recognition and reward, work-life balance and internal communication towards the dependant variable of employee engagement,i.e. H_1, H_2 and H_3 were supported.

Table 1: *Descriptive and reliability analysis for all variable.*

Variables	Mean	Std Deviation	Cronbach's Alpha
Recognition and reward	4.2487	.43304	.862
Work-life balance	3.9416	.52008	.922
Internal communication	3.9655	.46747	.908
Employee engagement	4.0088	.60579	.866

Table 2: Pearson Correlation analysis for all variables

	Recognition and reward	Work-life balance	Internal communication	Employee engagement
Recognition and reward	1			
Work-life balance	.425**	1		
Internal communication	.403**	.642**	1	
Employee engagement	.566**	.271**	.623**	1

Note. **. Correlation is significant at the 0.01 level (1-tailed). *. Correlation is significant at the 0.05 level (1-tailed).

DISCUSSION

After the correlation analysis is conducted, it has been determined that, the three factors have the relationship with employee engagement. For the first independent variable, there was a strong relationship between recognition and reward with employee engagement. This finding was similar to the study conducted by Shahril [10], where his findings showed a positive significant relation between recognition and rewards and employee engagement. In addition to meaningful work, return on investments can come from external rewards and recognition [8]. Therefore, appropriate rewards and recognitions are important for employee engagement.For the second independent variable, there was a relationship between work-life balance and employee engagement. Even though in this study the relationship between work-life balances was weak, this affirmed the study by Alvi *et al.* [13] who found that work-life balance and employee engagement correlated positively. According to Cahill *et al.* [22], measurement of work-life balance depends on individual perceptions. They suggested that "more time at work and less time at home" might represent balance for an individual employee whereas "more time at home and less time at work" might represent balance for another employee.The ability of the employee to find time for his work and family was a crucial factor to the success of his performance at the workplace [11].

For the third independent variable, the r-values (0.623) implied the strong relationship between internal communication and employee engagement. The relationship in this study has been supported by the previous research. For instance a study by Welch [17] who supported that internal communication is crucial for ensuring employee engagement. Hayase [23] indicated that there is a positive relationship between internal communication and employee engagement. His research also found that internal communication linked to commitment, full of effort and meaningful work which were the factors influencing employee engagement.

CONCLUSION

In conclusion, understanding employees' feeling is crucial for human resource management. This correlational study provides an understanding of factors influencing employee engagement. It is known that employee engagement can encourage the growth of employee and organizational productivity. Furthermore, it will decrease in expenses of hiring new employees if the employee highly engaged with the organization. Ultimately, higher productivity and lower organization expenses shall increase the organization profits.

ACKNOWLEDGEMENT

REFERENCES

1. Employee Engagement Report, 2017. Retrieved from http://blessingwhite.com/research-report/2017/05/18/2017-employee-engagement-report

2. Shuck, B. andK. Rose, 2013. Reframing employee engagement within the context of meaning and purpose: Implications for HRD. Advances in Developing Human Resources, 15: 341-355.

3. Kelly Global Workforce Index, 2013. Retrieved from http://www.kellyocg.com/uploadedFiles/Content/Knowledge/Kelly_Global_Workforce_Index_Content/Workplace_Performance.pdf

4. Rasheed, A., S. Khan and M. Ramzan, 2013. Antecedents and consequences of employee engagement: The case of Pakistan. Journal of Business Study Quarterly, pp: 4.

5. Xu, J. and H.C. Thomas, 2011. How can leaders achieve high employee engagement? Leadership & Organization Development Journal, 32: 399-416.

6. Baron, A., 2013. What do engagement measures really mean? Strategic HR Review, 12: 21-5. doi: 10.1108/14754391311282450

7. Anitha J., 2014. Determinants of employee engagement and their impact on employee performance. International Journal of Productivity and PerformanceManagement, 63: 308-323.

8. Saks, A.M. and J.L. Rotman, 2006. Antecedents and consequences of employeeengagement. Journal of Managerial Psychology, 21: 600-619.

9. Blau, P., 1964. Exchange and Power in Social Life, Wiley, New York, NY

10. Shahril, R.W., 2010. Employee engagement in malaysia's education industry: A survey of Cosmopoint, Kuala Lumpur. M.S. thesis, Universiti Utara Malaysia.

11. Bedarkar, M. and D. Pandita, 2014. A study on the drivers of employee engagement impacting employee performance. Procedia-Social and Behavioral Sciences, 133: 106-115.

12. Omar, M.K., 2016. work-life balance and job satisfaction among Malaysian healthcare employees.Environment-Behaviour Proceedings Journal, 1: 271-278.

13. Alvi, A.K., Q.I. Cheema and M. Haneef, 2014. Does the relationship of work life balance and employee job engagement exist in banking sector of Pakistan? Sci.Int., 26: 1761-1763.

14. Hallberg, U.E. and W.B. Schaufeli, 2006. Same but different? Can work engagement be discriminated from job involvement and organizational commitment?. European Psychologist, 11: 119-127.

15. Cullen, J. and A. McLaughlin, 2006. What drives the persistence of presenteeism as a managerial value in hotels? Observations noted during an Irish work-life balance research project. International Journal of Hospitality Management, 25: 510-516.

16. MacLeod, D. and N. Clarke,2009. The MacLeod Review - Engaging for success: Enhancing performance though employee engagement. Department for Business Innovation and Skills. London, Crown Copyright.

17. Welch, M., 2011. The evolution of the employee engagement concept: Communication implications. Corporate Communications: An International Journal, 16: 328-346.

18. Papalexandris, N. and E. Galanaki, 2009. Leadership's impact on employee engagement: Differences among entrepreneurs and professional CEOs. Leadership & Organization Development Journal, 30: 365-385.

19. Krejcie, R.V. and D.W. Morgan, 1970. Determining sample size for research activities. Educational and Psychological Measurement, 30: 607-610.

20. Sekaran, U. and R. Bougie, 2013. Research Methods for Business—A Skill Building Approach. 6th Edition, John Wiley and Sons, West Sussex.

21. Downs, C.W. and M.D. Hazen, 1977. A factor analytic study of communication satisfaction. Journal of Business Communication, 14: 63-74.

22. Cahill, K.E., T.K. McNamaraa, M. Pitt-Catsouphes, M. Valcour *et al.*, 2015. Linking shifts in the national economy with changes in job satisfaction, employee engagement and work-life balance. Journal of Behavioral and Experimental Economics, 56: 40-54.

23. Hayase, L.K.T., 2009. Internal communication in organization and employee engagement. UNLV Theses/Dissertation/Professional Paper, pp: 5.