Moderating Effect of Knowledge Workers on Pay Satisfaction, Formal and Informal Organization Career Management with Affective Organization Commitment

Yong Jing Ren (CGA 070084)

FACULTY OF BUSINESS AND ACCOUNTANCY UNIVERSITY OF MALAYA 2010

Moderating Effect of Knowledge Workers on Pay Satisfaction, Formal and Informal Organization Career Management with Affective Organization Commitment

Master of Business Administration

Yong Jing Ren
(CGA 070084)

UNIVERSITY OF MALAYA 2010

Submitted to the Graduate School of Business
Faculty of Business and Accountancy
University of Malaya, in partial fulfilment
of the requirement for the Degree of
Master of Business Administration

June 2010

ACKNOWLEDGEMENTS

I would like to express my gratitude to my supervisor, Dr. Sharmila Jayasingam, who has provided me supervision, guidance and advice throughout the study. This research project would not have been success without her constant support and concern. Her trust and patience is very much appreciated.

My special thanks go to Mr. Lau Sear Haur, Mr. Cheong Kok Loong, Ms. Ng Cing Yee, Ms. Chow Sweet Fun, Mr. Ong Chee Wei, Ms. Lim Wei Ching and Mr. Fong Chong Yit, who have offered me advice, help, encouragement, and suggestion related to this study.

I would like to extend my thanks and appreciation to the supporting staff of Graduate School of Business (UM-GSB) for the tremendous support given throughout the entire duration of my research project.

Last but not least, my deepest gratitude also goes to my family numbers, who were very understanding, and have given their best support and encouragement to me throughout this study.

ABSTRACT

Knowledge Workers (KW) are identified as the most important factor going into the 21st century, largely due to the elimination of national borders through globalization. Knowledge Workers are sought-after employees throughout the world that would play an important role towards the future of an organization. This coincides with Malaysian government's effort to retain its KW work force while trying to attract Malaysian KW in other countries to return to the mother nation in the effort to move towards Vision 2020.

A conceptual model exploring the effect of Pay Satisfaction, Formal and Informal Career Management towards Affective Organization Commitment is created with the main interests on KW. A total of 350 respondents from Klang Valley were surveyed in this study with samples were selected using both convenient and stratified random sampling. Findings indicate that the proposed factors of Pay Satisfaction, Formal and Informal Organization Career Management is a significant predictor towards Affective Career Management. However, Formal Organization Career Management does not command much interest from KW, as opposed to Pay Satisfaction and Informal Organization Career Management.

These findings would provide organization guidelines to plan their strategic approach towards retaining and attracting current and potential KW into the organization.

TABLE OF CONTENTS

ACKNOWLEDGEMENTS	i
ABSTRACT	ii
ABBREVIATIONS	v
LIST OF TABLES	vi
LIST OF FIGURES	vii
1.0 INTRODUCTION	1
1.1 Purpose of the Study	1
1.2 Significance of the Study	3
1.3 Research Questions	6
1.4 Research Objective	6
1.5 The Scope of Study	7
1.6 Organisations of the Study	7
1.7 Summary	8
2.0 LITERATURE REVIEW	9
2.1Knowledge Worker	9
2.2 Organization Commitment (Affective)	14
2.3 Rewards (Pay Satisfaction)	18
2.4 Mentoring Systems	21
2.5 Career Planninng	23
2.6 Personal Growth	24
2.7 Career Management	26
2.7.1 Formal Organization Career Management	29
2.7.2 Informal Organization Career Management	32
2.9 Research Framework	34
2.10 Hypothesis Development	34
2.11 Revised Research Framework	40
2.12 Summary	41
3.0 RESEARCH METHODOLOGY	42
3.1 Selection of Measures	42

3.1.1 Demographic Variables	42
3.1.2 Knowledge Worker	42
3.1.3 Affective Commitment	43
3.1.4 Pay satisfaction	43
3.1.5 Formal Organization Career Management	45
3.1.6 Informal Organization Career Management	45
3.2 Research Design	45
3.3 Data Collection Procedure	46
3.3 Data Analysis Techniques	47
3.4 Summary	47
4.0 DATA ANALYSIS AND FINDINGS	48
4.1 Respondents' Profile	48
4.1.1 Respondents' Response	49
4.2 Normality Test	50
4.3 Validity Test	51
4.4 Reliability Test	56
4.5 Hypothesis Testing	58
4.5.1 Moderating Effect of Knowledge Worker	62
4.6 Discussion	67
5.0 CONCLUSION AND RECOMMENDATIONS	74
5.1 Implications	74
5.2 Suggestion for Future Study	77
5.3 Summary and Conclusion	77
REFERENCE	79
APPENDIX 1 : Research Questionnaires	89
APPENDIX 2 : Statistics (Malaysian KW Abroad)	93
APPENDIX 3 : SPSS Results	96

ABBREVIATIONS

etc Et Cetera

OECD Organisation for Economic Co-operation and Development

H Hypothesis

KW Knowledge Workers

FOCM Formal Organization Career Management

IOCM Informal Organization Career Management

AC Affective Commitment

i.e. In Example

Sig. Significant

% Percent

LIST OF TABLES

Table 1.1	: Malaysian Residents Abroad
Table 1.2	: Number of Malaysian Migrants with Tertiary
	Education in OECD Countries
Table 1.3	: Migrants with Tertiary Education in OECD Countries 2000
Table 1.4	: Foreign-Born Medical Personnel in OECD Countries 2000
Table 1.5	: Researchers Employed in S & T in US 2003
Table 3.1	: Original and Modified PSQ
Table 4.1	: Demographical Profile of Respondents
Table 4.2	: KMO and Bartlett's Test
Table 4.3	: Total Variance Explained (Independent Variable)
Table 4.4	: Pattern Matrix (Independent Variable)
Table 4.5	: Cronbach's Alpha Values
Table 4.6	: Results of Multiple Regression Analysis
Table 4.7	: Hierarchical Regression Results Using KW as a Moderator
	In The Relationship between PS, FOCM and IOCM with
	Affective Commitment.
Table 4.8	: Model Summary on the Relationship of AC with
	PS, FOCM and IOCM

LIST OF FIGURES

Figure 2.1 : Preliminary Research Framework

Figure 2.2 : Revised Research Framework

Figure 4.1 : Gender Profile of Respondents

Figure 4.2 : Age Group Profile of Respondents

Figure 4.3 : Marital Status of Respondents

Figure 4.4 : Ethnic Group Profile of Respondents

Figure 4.5 : Highest Qualification Profile of Respondents