

## CHAPTER 6

### DISCUSSION AND RESEARCH IMPLICATIONS

#### Introduction

Chapter Six discusses the research findings on the six constructs and the research framework. It also discusses the outcome of the six main hypotheses, the significance of the mediators, the structural equation modelling of the proposed research model, the model fitness and the outcome of the research questions. In addition, this chapter explains the theoretical and managerial implications of talent engagement.

#### 6.1 The Research Findings

An objective of this study was to examine the relationships among psychological empowerment, talent engagement (job engagement and organization engagement), employee job satisfaction, and two talent outcomes, namely the intention to stay and dedication. This was achieved through the results presented in Table 6.1. The study also researched the mediating role of job engagement, organization engagement and job satisfaction between psychological empowerment and the talent outcomes (see Figures 5.11 and 5.12). Of the 342 completed questionnaires that were returned, two cases had gross missing values and they were omitted from further analysis. The remaining 340 cases that represented diverse work units of the participating GLC were statistically adequate for data analysis (McQuitty, 2004; Garver and Mentzer, 1999). Computations of the GLC samples also provided supporting results for the proposed six constructs talent engagement model of the study as indicated in Table 5.20.

### **6.1.1 The Six Constructs and the Research Framework.**

Through the findings and analyses indicated in Chapter 5, it was found that psychological empowerment with its intrinsic elements are crucial for managing talents through job engagement, organization engagement and employee job satisfaction towards employees' staying intention and dedication to respective job and organization. The six constructs were found to have significant correlation between them. This finding is complemented with the internal consistency and reliability of the constructs that ranged between .64 and .93 (see Table 5.2).

An interesting point from the study is that the findings showed slightly lower Cronbach's alpha value for job engagement (JE), organization engagement (OE) and job satisfaction (JS) at .72, .77 and .74 respectively compared to that found in the research work of Saks (2006) at .82, .90 and .84 for JE, OE and JS respectively. This difference could be attributed by the difference in the sample size and context in which the study was conducted. Saks (2006) had a sample size of 102 compared to this study of 342 respondents. His cases were in the Canadian context while this study was done using the Malaysian GLC as samples. This difference in cultural setting could influence the outcome of Cronbach's alphas as Kular et al. (2008) reported that engagement is defined differently in different countries. As such, the response to what is engagement in relation to the constructs that are used in the study could also be different.

In the study, Spreitzer's (1995) psychological empowerment was treated as a unidimensional construct where its compressed four cognitions of meaning, competence, self-determination and impact showed strong positive correlations with job engagement (JE) and organization engagement (OE) at .50 and .52 respectively. This finding showed that talent engagement that comprises of JE and OE had significant association with psychological empowerment. These results supported Quinn and Spreitzer (1997) who found that individuals are likely to be engaged if they find their work meaningful and if they believe they are competent in doing their work. They would be more engaged if they have self-determination and if they believe they can influence the system of which they are a part of. The synthesis of these three constructs towards the management of talents is both an academic and managerial contribution to the knowledge on talent engagement as this was the inaugural study that tested the relationship between psychological empowerment and talent engagement.

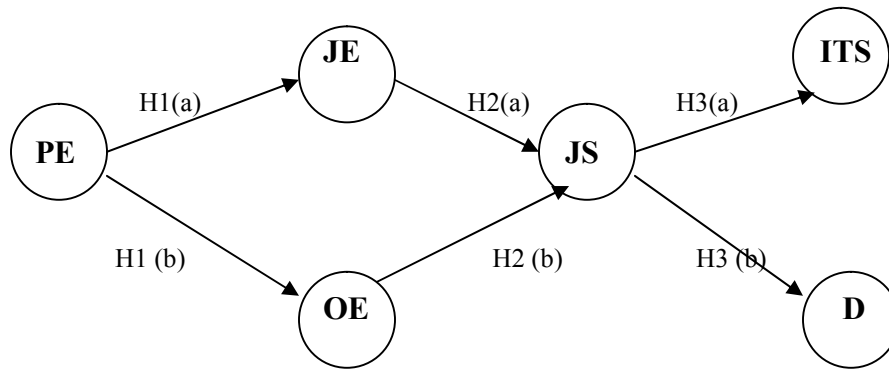
Similarly, job engagement and organization engagement were found to have significant correlation with job satisfaction at .43 and .60 respectively. This finding showed that organization engaged employees would result in higher job satisfaction compared to job engaged employees that is individual oriented. The results indicated that although job engagement and organization engagement are related, they are also distinct constructs as attested by Saks (2006). The findings added value to the study of Saks (2006) and showed that talent engagement is related to job satisfaction.

In Table 5.3, job satisfaction demonstrated significant correlation with the intention to stay and dedication at .61 and .60 respectively. These findings showed that when employees have job satisfaction, they would be highly dedicated in their work and therefore have the propensity to stay with the organization. The outcomes concur with the finding of Porter et al. (1974) that there is a consistent relationship between job satisfaction and the intention to stay with the organization. Shore and Martin (1989) also reported strong relationship between job satisfaction and work performance that is dedication in this study.

Hence, the overall results of the six constructs through the Cronbach's alpha reliability and correlation matrix provided the preliminary support for the proposed talent engagement framework as indicated in Figure 3.1. This six-construct talent engagement framework would be one of the initial contributions to examine talent engagement in the academic perspective.

### **6.1.2 The Hypotheses.**

The specified a priori structured model was tested for its plausibility based on the data. The purpose of this step of model testing procedure is to test the proposed hypotheses and determine the goodness-of-fit between the hypothesised model and the sample data. Figure 6.1 shows the path diagram indicating the hypothesised structural relationships of psychological empowerment, job engagement, organization engagement, job satisfaction, intention to stay and dedication.



**Figure 6.1 Path diagram showing the hypothesised structural relationships.**

*Note.* PE = psychological empowerment, JE = job engagement, OE = organisation engagement, JS = job satisfaction, ITS = intention to stay, and D = dedication.

Figure 5.9 shows psychological empowerment had strong positive associations with job engagement and organization engagement with the standardised regression weights or factor loadings of 0.80 and 0.77 respectively. This result showed that psychological empowerment was statistically significant and positively associated with both job engagement and organization engagement. As such, the hypothesis H1 (a) that there is a statistically significant and positive relationship between psychological empowerment and job engagement, and H1 (b) that there is a statistically significant and positive relationship between psychological empowerment and organization engagement, were accepted.

Besides contributing new knowledge that psychological empowerment can be analysed together with job engagement and organization engagement when examining talent engagement, this hypothesis finding also extended the research work of Spreitzer (1995) on investigating psychological empowerment at the workplace. Furthermore, the outcome of this hypothesis could also be related to the beyond human capital thoughts of Boudreau and Ramstad (2007) who suggest that talents

should be examined in terms of efficiency, effectiveness and impact. The three principles propagated by Boudreau and Ramstad have similarity with Spreitzer's four cognitions of meaning, competence, self-determination and impact. In addition, the positive relationship of psychological empowerment and talent engagement support the suggestion of Cappelli (2008) that managing talents is about matching commitment with competence.

On another note, there were three similarities between Saks' (2006) research and this study. Firstly, both studies recorded more female respondents compared to the male respondents. Perhaps an analysis on the difference in engagement between the different genders is considered for future study to ascertain if there is any difference of engagement between male and female. Secondly, organization engagement was a much stronger predictor for the talent outcomes than job engagement. Thirdly, talent engagement that comprises job engagement and organization engagement partially mediated the relationship between the antecedent variables and their outcomes. This result supported Saks's claim that there is a meaningful distinction between job engagement and organization engagement.

Figure 5.9 also showed that both job engagement and organization engagement had positive association with job satisfaction as indicated by the standardised regression weights of 0.14 and 0.79 respectively. As 0.14 was below the recommended minimum value of 0.20 (Chin, 1998), the findings indicated partial support for hypothesis H2(a) that there is a statistically significant and positive relationship

between job engagement and job satisfaction; while there was full support for hypothesis H2(b) that there is a statistically significant and positive relationship between organization engagement and job satisfaction.

Hence, the difference between job engagement (JE) and organization engagement (OE) was demonstrated by the gap of factor loading these two constructs had with job satisfaction (JS). The results showed that in an organizational context, organization engaged talents would display higher job satisfaction compared to the job engaged talents. The findings concur with the results of Saks (2006) who also found OE to have stronger association with JS ( $R^2 = .49$ ,  $\rho < .001$ ) compared with the association between JS and JE ( $R^2 = .26$ ,  $\rho < .01$ ). As such, JE and OE are distinct constructs (Saks, 2006) and produce different outcomes for the Malaysian GLC samples.

In Figure 5.9, the statistically significant and positive associations of job satisfaction with the intention to stay and dedication were shown by the standardised regression weights of .75 and 1.00 respectively. Therefore, the hypotheses H3 (a) that there is a statistically significant and positive relationship between job satisfaction and intention to stay; and H3 (b) that there is a statistically significant and positive relationship between job satisfaction and dedication, were accepted. The result for H3 (a) was supported by Porter et al. (1974) who attest that a consistent relationship existed between job satisfaction and the propensity to remain with the organization. On the other hand, the positive relationship between job satisfaction and dedication result for H3 (b) concurred with the findings of Shore and Martin (1989).

In examining hypothesis 4 to ascertain if job engagement and organization engagement mediate between psychological empowerment (PE) and job satisfaction (JS), it was found that all the related regression weights were positive. Figure 5.9 shows that when job engagement was assumed to mediate between PE and JS, the total standardised path coefficients for the indirect effect of PE->JE->JS was  $.80 \times .14$  equals  $.11$ . Similarly, when organization engagement was assumed to mediate between PE and JS, the total standardised path coefficients for this indirect effect of PE->OE->JS was  $.77 \times .79$  equals  $.61$ . In comparing these indirect effects with the direct effect of PE-> JS as shown in Figure 5.11, it was found that the direct association between PE and JS generated a higher path coefficient of  $.84$ . This means that the proposition of job engagement and organization engagement mediating the relationship between PE and JS was partially supported. The outcome concurs with the findings of Saks (2006) who also found partial mediation by job engagement and organization engagement for his proposed antecedent variables and the consequences. Hence, the hypotheses H4 (a) that job engagement mediates the relationship between PE and JS, and H4 (b) that organization engagement mediates between PE and JS, were partially accepted.

Besides, a substantial difference in the indirect effects of job engagement and organization engagement between PE and JS was noted. The much lower mediating effect of job engagement between PE and JS could be attributed to the finding by Maslach, Schaufeli and Leiter (2001) that job satisfaction does not encompass an employee's relationship with the job itself. Job engagement is basically the level of



attentiveness of employees in the performance of their roles. On the contrary, organization engagement reflected a significant mediating effect between PE and JS as organization engagement is strongly influenced by organizational characteristics such as empowerment (Kahn, 1990; Maslach et al., 2001; Corporate Leadership Council, 2004). In essence, talent engagement does mediate the relationship between antecedent variables and outcomes (Sonnentag, 2003).

The next proposition to investigate was the hypothesis that job satisfaction (JS) mediates the relationship between job engagement and the intention to stay (ITS) as well as between job engagement and dedication. Similarly, hypothesis 5 also proposes that JS mediates the relationship between organization engagement and ITS as well as between organization engagement and dedication. In examining the results shown in Figure 5.12 and Table 5.26, JS as the mediator reported a better mediating effect on the relationship between job engagement (JE) and ITS as well as between organization engagement (OE) and ITS. This finding was supported by Porter and Steers (1973), Shore and Martin (1989), and Saks (2006). These authors found significant and consistent relationship between JS and ITS. Blessing White (2008) also reported strong correlation between engagement and retention in their report. The total standardised path coefficients for the indirect effect of JE->JS->ITS and OE->JS->ITS were .12 and .63 respectively. In comparison, the direct relationship of JE -> ITS and OE->ITS only displayed the weak and negative results of -.15 and -.06 respectively. Hence, the hypotheses H5 (a) that JS mediates the relationship between

JS and ITS, and H5 (c) that JS mediates the relationship between OE and ITS, were supported.

On the other hand, the role of JS as the mediator between job engagement (JE) and dedication, as well as between organization engagement (OE) and dedication yielded mixed outcomes. In reviewing Figure 5.12 and Table 5.26, it was found that there were both positive direct and indirect effects on the relationships between JE and dedication as well as between OE and dedication (D). The direct effect of JE->D showed the standardised path coefficient of .34, while the direct effects of OE->D shown the standardised path coefficient of .17. In comparison, when JS assumed the role of a mediator between JE and D, the indirect effects of JE->JE->D reported a total standardised path coefficient of .05. Similarly, when there was JS as the mediator, the indirect effect of OE->JS->D displayed a total standardised path coefficient of .27. These results showed that the direct relationship of JE->D had the better outcome while the indirect relationship of OE->JS->D demonstrated the better outcome.

The findings are interesting as they supported the suggestion of Kahn (1990) that dedication is related to the emotional dimension of engagement. As dedication refers to the internal causes of engagement (Spreitzer, 1997; Schaufeli & Salanova, 2009), it did make sense that job engaged employees would be more dedicated in their job compared to an employee who was just organization engaged. As both the direct and indirect effects were positive, the hypotheses H5 (b) that JS mediates the relationship

between JE and D, and H5 (b) that JS mediates the relationship between OE and D, were partially supported.

In examining the final hypothesis, the role of job satisfaction (JS) as the second order mediator between psychological empowerment (PE), job engagement (JE) and the intention to stay (ITS), between PE, JE and dedication (D), between PE, OE and ITS, and between PE, OE and D, were examined. As reported in Figure 5.11, when PE is directly related to JS, ITS and D, the role of JS as the second order mediator became not significant as shown by the zero values for the path coefficients of JE->JS, OE->JS, JS->ITS, and JS->D. Positive and significant direct relationships between PE and ITS, and between PE and D were noted with the path coefficients of .59 and .84 respectively. These outcomes concur with the findings of Lefkowitz and Katz (1969) that JS is a transitory and changeable attitude across different situations and time.

Strong positive regression weights were also shown between PE->JE at .72 and between PE->OE at .78. The stronger direct effect between PE and D supported the cognitions of psychological empowerment that they would enable individuals to be energised about work (Spreitzer, 1997). When employees feel and experience empowerment, there would be a concentration of energy (Kahn, 1998), and motivation (Spreitzer, Kizilos & Nason, 1997) to perform. Moreover, when employees are empowered, they would have better initiative and resilience in their job role expectations (Thomas & Velthouse, 1990). This outcome could also be attributed to the social exchange theory as suggested by Saks (2006). When

organizations empower their employees, the employees would reciprocate with the anticipated mutual outcomes (Cropanzano & Mitchell, 2005). Since there was no indirect effects, the hypotheses H6 (a) to H6 (d) that job satisfaction mediates the relationship between PE, JE and ITS, between PE, JE and D, between PE, OE and ITS, and between PE, OE and D, were not supported. The results were attributed to the transitory characteristic of JS (Mowday, Steers & Porter, 1979) where attitudinal outcome is time sensitive and does change over-time (Lefkowitz & Katz, 1969).

In summary, the results of the six main hypotheses are as shown in Table 6.1. The overall outcome of the hypotheses demonstrated that talent engagement is worthy of future research. The growing importance of talent engagement in organizations and the need to understand the difference between job engagement and organization engagement would assist organizations in their task of managing talents effectively.

### **6.1.3 The Structural Equation Modelling of the Study.**

In evaluating the a priori structured model, an examination on the unstandardised form revealed that all estimates were reasonable and statistically significant where all standard errors appeared to be in good order. Pairs of error terms for the talent engagement (TE) measures were allowed to covary because it is both logical and reasonable to assume a shared measurement error between the items since they are theoretically related to one another. Despite the fact the constructs are conceptually different, the correlated error between PE->JS, JE->OE, JE->ITS and PE->D made sense as their common variance was used for measurement (Ajzen, 2001). However, to refine the fitness gap between the hypothesised model and the sample data,

**Table 6.1****Summary of the Hypotheses Testing Results**

<b>Hypothesis</b>	<b>Results</b>	<b>Reason</b>
H1(a) There is a statistically significant and positive relationship between PE and JE.	Supported	Positive standardised path coefficient
(b) There is a statistically significant and positive relationship between PE and OE.	Supported	-do-
H2(a) There is a statistically significant and positive relationship between JE and JS.	Partial Support	Positive but weak value at 0.14
(b) There is a statistically significant and positive relationship between OE and JS.	Supported	Positive standardised path coefficient
H3(a) There is a statistically significant and positive relationship between JS and ITS.	Supported	-do-
(b) There is a statistically significant and positive relationship between JS and D.	Supported	-do-
H4(a) JE mediates the relationship between PE and JS	Partially supported	Both hypotheses had positive direct and indirect effects
(b) OE mediates the relationship between PE and JS	Partially supported	
H5(a) JS mediates the relationship between JE and ITS	Supported	Positive & better indirect effects
(b) JS mediates the relationship between JE and D	Partially supported	Had both direct & indirect effects
(c) JS mediates the relationship between OE and ITS	Supported	Positive & better indirect effects
(d) JS mediates the relationship between OE and D	Partially supported	Had both direct & indirect effects
H6(a) JS mediates the relationship between PE, JE and ITS	Not supported	All four hypotheses had direct effects but no indirect effects through job satisfaction (Figure 5.11).
(b) JS mediates the relationship between PE, JE and D	Not supported	
(c) JS mediates the relationship between PE, OE and ITS	Not supported	
(d) JS mediates the relationship between PE, OE and D	Not supported	

numerous covariations existed in the structural model as indicated by the recommended seven (7) modification indices.

The application of SEM through AMOS has facilitated the understanding of relational data in multivariate systems, as well as determined numerous systematic and statistically significant covariations between constructs in the talent engagement model (Hair et al., 2006). In addition, SEM has assisted to test the proposed talent engagement theory in the study by examining the interrelated dependence relationships and the covariance among the measured items. These covariances helped to modify the structural model accordingly and improved the model's goodness-of-fit (GOF). Hair et al. attest that GOF is a measure indicating how well a specified model reproduces the covariance matrix among the indicator variables. However, SEM was unable to test directionality in relationships as the directions of arrows in SEM were determined by the researcher's hypotheses of causality within a system. The researcher's choice of variance and pathways had limited the SEM's ability to recreate the sample covariance and variance patterns that were observed. As such, there may be other models that fit the data equally well.

The overall fit indices of the structural model indicated an acceptable fit of the model to the observed data. As SEM was size sensitive (Arbuckle, 2009; Hair et al., 2006) multiple fit indices were used to assess the model's GOF; namely, the  $\chi^2$  value and the associated degrees of freedom (DF), one absolute fit index (i.e. GFI), one incremental fit index (i.e. CFI), and one badness-of-fit index (i.e. RMSEA). This step

addressed the advice of Byrne (2010) that to assess a structural model adequately, it must be based on multiple criteria that include theoretical, statistical and practical considerations. Figure 5.9 showed that the proposed structural model achieved an acceptable level of model fit after seven theoretical, statistical and practical considerations. This finding revealed that the study's theory could explain the observed covariance matrix among the measured variables after seven modification indices. As the model fit compares the theory to reality as represented by the data, the proposed talent engagement model could be confirmed with some modifications in specification to enable the model to represent the data better. The structural model confirmed that psychological empowerment (PE) predicted job engagement (JE) and organization engagement (OE) as indicated by the relatively strong and large standard path coefficient of .80 and .77 respectively (see Table 5.24). Kline (2005) advocates that standardised path coefficients with absolute values less than .10 indicate small effect; values around .30 indicate medium effect; while values greater than .50 mean large effect. Hence, this finding extended the significant relationships research result of Spreitzer (1995) for empowerment and the outcomes.

The related studies of May et al. (2004) as well as Olivier and Rothmann (2007) also support this research outcome. The authors have attested that when opportunities are created for employees to experience the meaningfulness of work, their attachment to work would be stimulated, resulting in engagement. As such, psychological empowerment predicted job engagement and organization engagement in the study. These variables in turn predicted job satisfaction (JS), and finally JS would predict

the intention to stay (ITS) and D (dedication). Theoretical plausibility test was undertaken to check if the relationships made sense and if there was some better alternative model that might fit better and more accurately represent the theory and data. The hypothesised mediated model was tested against the partially mediated and non-mediated model as advocated by Baron and Kenny (1986), and Kelloway (1995). Model comparison was made by assessing the differences in fit indices that include the chi-square value and the goodness-of-fit values for each model. As noted in Table 5.25, the findings indicated that the partially mediated model had a slightly better fit than the full mediated model. This meant that there were both direct and indirect relationships between psychological empowerment and the talent outcomes of the intention to stay and dedication.

Besides theory driven, the study adopted the recommendation of Jöreskog (1993) that the ultimate objective of conducting the respecifications was to find a model that is substantially meaningful and fits well statistically. This also addressed the caution of Bentler and Chou (1987) that forcing large error terms to be uncorrelated is rarely appropriate with real data. Empirical findings from this research indicated that the respecified model was adequately fit. This was supported by the measurement models' validity and fitness, and subsequently the fitness of the a priori structured model after seven theoretical supported modifications. As the GOF for the revised a priori structured model was adequate ( $\chi^2/DF = 1.718$ , NFI = .910, CFI = .96 and RMSEA = .046), the proposed relationships among psychological empowerment, job engagement, organization engagement, job satisfaction, intention to stay and



dedication were reasonably argued. The feasibility and statistical significance of all parameter estimates were also noted.

However, Hair et al. (2006) suggest that a model with acceptable fit only confirms that it is one of the possible acceptable models for the study. They advocate comparing alternative models to achieve a better insightful test. Hence, the discriminant analysis was conducted on the proposed talent engagement model. The findings in Table 6.2 indicated that the modified six-factor model was the most appropriate talent engagement structure for the data. Other supporting results for the six-factor model are as shown in Appendix E.

**Table 6.2**  
**Discriminant Analysis on the Fitted Model**

<b>Model</b>	<b>CFI</b>	<b>PNFI</b>	<b>AIC</b>	<b>ECVI</b>
1-factor model	.82	.69	1252.8	3.70
2-factor model	.85	.70	1118.8	3.30
3-factor model	.89	.73	959.8	2.83
4-factor model	.93	.75	775.4	2.29
5-factor model	.95	.77	671.8	1.98
6-factor model	.96	.78	614.5	1.81

According to Hu and Bentler (1999), a value close to .95 for CFI represents a better fitting model. In this study, the 6-factor model had the highest (best) value for CFI at .96. Parsimonious normed fit index (PNFI) was also analysed as it takes into account the complexity of the hypothesised model in the assessment of the overall model fit (Hair et al., 2006). They advocate that the higher the value of PNFI, the better the

model is. The results in Table 6.2 show that the 6-factor model had the highest PNFI value at .78.

Subsequently, the Akaike's Information Criterion (AIC) was examined to compare the models shown in Table 6.2 and to ascertain which model had the smallest value as this would represent a better fit of the hypothesised model (Hu & Bentler, 1995). In comparison among the different models, the 6-factor model had the lowest AIC value at 614.5. Similarly, the model having the smallest ECVI value exhibits the greatest potential for replication. In this case, the 6-factor model again had the smallest value. Through the four indices above, it was clear that the 6-factor model was the most appropriate combination for the hypothesised talent engagement model. This means that the combination of the six factors in the sample provided the best profiling of the cases in the data (Hair et al., 2006).

As highlighted by Byrne (2010), a perfect fit between the observed data and the hypothesised model does not happen in real sense. The discrepancy between the observed data and the hypothesised model called residual will necessarily occur. Based on the findings as shown in Table 5.24, Figure 5.11 and Figure 5.12, the results for the hypotheses were summarised in Table 6.1. The results indicated significant difference between employees' job and organization engagement scores. This is simply because job engagement (JE) is about an individual's attachment to a role while organization engagement (OE) refers to the strength of an individual's identification with an organization. There were also differences between the

relationship of JE and OE with job satisfaction (JS). OE was noted to have strong bearing on JS compared to JE (see Table 5.24). It is likely that organizations can provide extrinsic motivations to employees to generate organization engagement while job engagement that is individual based, requires the intrinsic motivation and the attachment to the assigned role to display the expected JS. Thus, the outcomes suggested that the two mediating variables assume different roles and were independently related to job satisfaction and talent outcomes. Both job engagement and organization engagement were significant predictors for the two talent outcomes; namely, intention to stay and dedication. Correspondingly, when job engagement and organization engagement were high, employees would display high dedication to their work and their propensity to remain with the organization. This result demonstrated that talent engagement is crucial for organizations to manage their talents if they want their talents to contribute towards organizational business results.

Evidences of construct validity for the six construct were examined in terms of convergent, discriminant, nomological and face validity. These evidences meant that the measures behaved according to the expected unidimensionality of the measures and the way the constructs related to other measures. Overall, the results were conceptually consistent. This phenomenon according to Hair et al. (2006) was more important than mere fit results alone. Overall, there were relationships among psychological empowerment, job engagement, organization engagement, job satisfaction, intention to stay and dedication as hypothesised in the talent engagement model. Hence, the structural model for the study was found appropriate and useful.

## **6.2 The Research Implications**

### **6.2.1 Theoretical Implications.**

The results of this study showed that talent engagement is a meaningful construct and mediator that should be considered for future research. As the empirical study of talent engagement is still in its infancy, this study is aimed to contribute knowledge to the academic research on the relationship between psychological empowerment and talent engagement. The findings from the study would also reduce the paucity of critical academic literature on talent engagement (Kular et al., 2008). The study contributed to the literature by developing a conceptual definition of talent engagement, measuring it, providing evidence of its construct validity, and demonstrating its relationship to psychological empowerment and engagement outcomes. This was reflected in the proposed research framework called talent engagement model. The research also addressed the suggestion of Spreitzer (1995) to study the dynamics of empowerment at the workplace as there was a need to examine causality issues and the strength of the relationship between empowerment and various outcomes.

Essentially, the study extended the research work of Spreitzer (1995) and Saks (2006) by developing and testing an integrative model of psychological empowerment and talent engagement in predicting talent outcomes. This extension into an area that has not been explored is an important step for the development of academic theories for talent engagement. Undoubtedly, there has yet to be any study that examines the effects of psychological empowerment on talent engagement that comprises of job

engagement and organization engagement; neither has there been any study to test the mediating role of talent engagement between psychological empowerment and talent outcomes using the SEM technique. The findings in this study found positive and significant relationship between psychological empowerment, job engagement and organization engagement. This finding was the study's contribution of new knowledge that psychological empowerment could be examined together with talent engagement as both are positive psychological conditions. Schaufeli and Salanova (2007, p.135) acknowledged the emergence of work engagement with positive psychology because positive psychology focuses on "human strengths and optimal functioning".

This study focused on empowerment and engagement as role specific to one's job and organization. The significant relationship between talent engagement that includes job engagement and organization engagement, and psychological empowerment reinforces and adds value to the research findings of Kahn (1990), Thomas and Velthouse (1990), Spreitzer (1995) and Saks (2006) that psychological conditions and engagement are related. The positive relationships between talent engagement and job satisfaction was consistent with the research outcome of Saks (2006) in that when employees are engaged, they would display the experience of job satisfaction. This, in turn, would bring about positive consequences such as employees' dedication and their propensity to remain with the organization.

In the study, organization engagement showed slightly stronger correlation with psychological empowerment compared with job engagement. The possible reason being psychological empowerment is organization driven while job engagement is basically driven by internal motivations (Spreitzer, 1995; Saks, 2006). On the other hand, in congruence with the findings of Saks (2006), both job engagement and organization engagement displayed positive effects on job satisfaction, intention to stay and dedication. This outcome supported the findings of Kular et al. (2008) that high levels of engagement were associated with positive outcomes for individuals and organizations. The findings also agree with Kahn (1990) that engagement is about being psychologically and physically present when undertaking and performing organizational role. As posited by Frank et al. (2004), the results also reflected the amount of discretionary effort exhibited by employees in their job.

The results also indicated that psychological empowerment did lead to job engagement and organization engagement as well as talent consequences but in different ways. This finding suggested that, since talent engagement was approached as role specific to one's job and organization, the psychological conditions that lead to job engagement, organization engagement and the consequences are different. This also means that although job engagement and organization are related, they are distinctly different (Saks, 2006). Through the discussions above, the results confirmed the findings of Saks that employee engagement should be viewed in two perspectives, namely job engagement and organization engagement.

The studies of Saks (2006), Maslach et al. (2001), Schaufeli and Bakker (2004), and Sonnentag (2003) found that employee engagement partially mediates the relationship between antecedent variables and consequences. In this study that focused on the talents in the Malaysian Government-linked companies, the results also found that talent engagement (job engagement and organization engagement) partially mediated the relationship between psychological empowerment and the consequences. This outcome of GLC could be attributed to the constant performance analysis and the challenges of the cross-organization leadership exchange programme that the GLC talents are subjected to. In essence, this study confirmed the role of talent engagement as a mediator between positive psychological antecedents such as psychological empowerment and the talent outcomes of the intention to stay and dedication.

Another important academic implication found from this study was that, talent engagement as with the employee engagement research of Saks (2006) can be analysed along the elements of social exchange theory (SET). This is because employees who perceive stronger psychological empowerment will reciprocate with higher levels of engagement in their job and organization. Subsequently, the higher engagement level will translate into job satisfaction and ultimately, the intention to stay and dedication to organizations. Hence, the results of the study implied that subsequent study on talent engagement as the mediator between positive psychological antecedents and consequences should incorporate the social exchange theory (SET). The incorporation of SET would explain why employees respond to psychological conditions with varying degrees of engagement. This study agreed with

Saks (2006) that SET is the appropriate theoretical rationale for explaining employee engagement and of which was not addressed by Khan (1990) and Maslach et al. (2001) in their respective study.

The supported hypotheses 1, 2 and 3 showed that the six constructs of this study, namely, psychological empowerment (PE), job engagement (JE), organization engagement (OE), job satisfaction (JS), intention to stay (ITS) and dedication (D), confirmed the positive relationships between the constructs. The robustness of the research model as shown in Figure 3.1 was supported by the fitted structural model shown in Figure 5.9. The structural paths between psychological empowerment and talent engagement, between talent engagement and job satisfaction with the exception of the JE->JS path, and between job satisfaction and the talent outcomes of ITS and D were significant and strong. The results of the structural model showed that the hypothesised research model was able to be fitted with the observed data after seven theoretical, practical and statistical considerations (Byrne, 2010). As such, the proposed talent engagement model is considered useful and a contribution to the academic study on talent engagement.

### **6.2.2 Managerial (practical) Implications.**

There were some practical implications from the results of the study. The research findings indicated the need to emphasise the importance of positive psychological conditions and talent engagement in managing talents in GLC. Understanding the engagement of talented employees will help to align strategies of organizations in



striving for business results. Results of the study supported the 79% engagement level of GLC employees in the 2008 survey (PCG, 2009), the priority placed on managing talents in the 10<sup>th</sup> Malaysia Plan (2011-2015), and the establishment of the Talent Corp in 2011. The findings of this study could improve the Malaysian practitioners' understanding of individual and psychological factors that influence employees' engagement. The information is essential as the intense global business competition has made sourcing and retaining talents a major concern for business niche and sustenance at GLC.

Psychological empowerment (PE) was found to be statistically significant and positively related with job engagement (JE) and organization engagement (OE). Hence, Malaysian organizations especially the GLC that want to improve the talent engagement of employees should focus on the support that employees perceived they received from their organizations; such as empowerment. Saks (2006) argued that when employees feel and believe that their needs and concerns are addressed by their organizations, they would reciprocate with higher levels of engagement. In this study, PE contributed the most to OE towards job satisfaction and talent outcomes. Thus, to motivate talents, the management of GLC are encouraged to inculcate an organizational environment of PE for all talents (employees). The practical implication is that, there must be intervention strategies to address those who are engaged and how to tap on their skills. The intervention strategies could be in the form of providing talents with meaningful work and equipping them with the needed competence so that they can develop and display self-determination that ultimately

would contribute to desired business results for the organization. In essence, psychological empowerment serves as a good enabler for GLC in managing their talents through job engagement and organization engagement.

Furthermore, managers in GLC should understand the importance of social exchange for talent engagement. According to the Social Exchange Theory (Saks, 2006), when the management of an organization provides employees with the required resources and benefits, the employees would reciprocate with higher levels of engagement. However, the managers would still have to find out the types of resources and benefits needed by employees that would bring about the sense of obligation for them to respond with better levels of engagement (Saks, 2006; Schaufeli & Salanova, 2007).

Cognisance must also be given for the difference between job engagement and organization engagement. The GLC and HCM practitioners should acknowledge the difference between job engagement and organization engagement to facilitate their initiative to address the challenge of winning the war for talents. As noted in this study and the findings of Saks' (2006), both job engagement and organization engagement may be related but they are distinct constructs as they bring about different effects to individuals and organizations. Job satisfaction was found to have weak association with job engaged employees. With the changing demographic landscape, importance must be given to job engagement as younger employees are noted to be more job engaged than organization engaged (Cappelli, 2008; Harro &

Miller, 2009; Conaty & Charan, 2011). This contributing information for GLC would assist them in their HCM planning to achieve the necessary dedication from talents and retain them through their intention to stay with the organizations. With the current high mobility of talents (Cheese et al., 2009), managers must also take cognisance of job satisfaction (JS) as an enabler for achieving the needed propensity of employees to stay (ITS) with the organization (Mobley, 1997; Mowday, 1979; Shore & Martin, 1989). The importance of this point was indicated by the strong path coefficients of .89 between JS and ITS. This managerial implication is crucial to GLC as the organizations are in a midst of organizational transformation and are expected to deliver breakthrough performances.

Moreover, Cropanzano and Mitchell (2005) have emphasised the point that employee engagement is a long term process that needs continuous interactions between employer and employees. This managerial implication that connects with the social exchange theory (SET) is crucial to establish the required state of reciprocal interdependence and obligations in organizations. The long term process of inculcating SET is needed because the process of building trusting relationship and mutual commitment requires the investment of time between employers and employees. Besides, Frank et al. (2004) have advocated that, since engagement involves all levels of employees in an organization, employee engagement should be viewed as a broad organizational and cultural strategy. Robinson et al. (2004) agree that engagement require the input and involvement of organizational members. This

opinion points to the need for a longitudinal observation and study for talent engagement in the said contexts.

The positive results of psychological empowerment and talent engagement that led to job satisfaction as well as the intention to stay and dedication agree with the “Broaden-and-Build” theory of positive emotions posited by Fredrickson (2001). According to the theory, the experience of positive emotions broadens thought-action repertoires and builds enduring personal resources. Salanova and Schaufeli (2008) argue that work engagement that includes pride, inspiration and challenge may have similar effects in broadening employees’ modes of thinking and responses. The consequence of this is the increased likelihood of better engagement levels and talent outcomes. Hence, managers in organizations especially GLC should consider inculcating a positive work environment that encourages the development of positive emotions to derive the benefits posited in the “Broaden-and-Build” theory.

In sum, there are several research implications from this study. This study contributed theoretical and practical insights on talent management (human capital) development, talent engagement and psychological empowerment in the local (Malaysia) context. The approach of the research addressed the issue of having meaningful metrics to improve organizational talent decisions as critiqued by Lewis and Heckman (2006). Findings from the study contributed to the understanding and practicality of the psychological empowerment model of Spreitzer (1995) and Sak’s (2006) employee engagement model in the current Malaysian context beginning with the Government-

linked companies (GLC). Both Talent Corp and GLC should take cognisance that the identified talents can be categorised into two types of engagement: job engagement and organization engagement. The job engaged talents are found to be more dedicated in their work but rather inconsistent in their intention to stay with their organization. In contrast, organization engaged talents tend to be more job satisfied and thus displayed stronger intention to stay with their organization. The findings also highlighted the importance of understanding and inculcating the essence of the social exchange theory and the broaden-and-build theory to facilitate the journey of transforming human capital in Malaysia. In the current scenario of talent crunch, the information from the study and the tested talent engagement model could assist the strategic planning of the Malaysian GLC. The information would assist Putrajaya Committee on GLC High Performance to refine the GLC Strengthening Leadership Development Programme towards better GLC performances and economic value for Malaysia.

By measuring and analysing talent engagement, and relating the results to business and other HR metrics, organizations could use the findings to target improvement outcomes. This study also demonstrated the effects of engagement of employees could have on talent consequences. As argued by Saks (2006) and agreed by the results of this study, the application of talents engagement in organizations is a two-way relationship between the organization and employees. Organizations would always pay to acquire the required workforce talents; while employees want fulfilling (meaningful) work that uses their unique characteristics and skills. This phenomenon

reiterated the findings of Xanthopoulou et al. (2008) that work (job) engagement mediates the relationship between self-efficacy (a related element of PE) and employees' in-role and extra-role performance (relates to dedication). Similarly, Ng and Tay (2010) found that organizations would need to provide employees with appropriate job resources and to engage them if they want employees to perform. Thus, the process that links psychological empowerment, job engagement, organization engagement, job satisfaction and talent outcomes would be a fundamental process towards talent engagement. While the degree of dedication may vary according to the level of employees, it was found that job attitudes are more closely related with task based outcomes, whereas organization attitudes are associated more closely with organization related outcomes (Shore & Martin, 1989; Boudreau, Ramstad & Dowling, 2002; Cheese, Thomas & Craig, 2009).

### **Summary of Chapter**

Psychological empowerment (PE) was found to have positive effects on job engagement and organization engagement as shown by the path coefficients of .80 and .77. This research outcome reiterated the findings of May et al. (2004) as well as Olivier and Rothmann (2007) that psychological conditions relate to employee engagement. Organization engagement was noted to be a stronger predictor than job engagement on the intention to stay. Job engagement and organization engagement were found to be partial mediators for the relationship between PE and talent outcomes. Although the partial mediation model confirmed to be the better model for explaining the hypothesised relationships between the constructs, there could be other models that may achieve better fit for the data

Both job engagement and organization engagement were independently related to the talent outcomes as they were significant mediators. In essence, both job engagement and organization engagement are needed to address the presence void of talented employees. As this was a focused study, findings of this study did correspond with the overall level of engagement of GLC at 79% (PCG, 2009). The outcome of the study also reflected the improved talent management practices and better employee development opportunities at GLC that contributed to the return of equity of 10.5% in FY2010 compared to the 7.7% in FY2009 (PCG, 2011). Hence, the issues highlighted in this thesis could serve as an on-going initiative to address the dynamics of talent engagement with psychological empowerment at the workplace. The study suggests that talent engagement, in particular the distinction between job engagement and organization engagement are worthy for future research. As majority of the published employee engagement studies have been conducted by practitioners, the empirical approach of this study would certainly contribute knowledge to reduce the paucity of academic literature on talent engagement. It is anticipated that the findings of this study and the proposed talent engagement model would contribute to the development of more talent engagement theories. The summary of the entire research, the research limitations and recommendations of the study are presented in the next final chapter of this thesis.