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Name of degree: **Doctor of Philosophy**

Title of Project Paper / Research Report / Dissertation / Thesis ("this Work"):

Talent Engagement and Job Satisfaction as the Mediators between Psychological Empowerment and Talent Outcomes

Field of study: **Human Capital Management**

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Abstract

This study is an inaugural attempt to examine the incorporation of the psychological aspects of human capital and their relationships with talent engagement, job satisfaction and outcomes of employees. The study is essential as dynamic changes at the workplace have necessitated the engagement and job satisfaction of employees for organizations to achieve global competitiveness (Fay & Luhrmann, 2004). Moreover, in examining the context of talent management, there seemed to be a gap between employees being merely psychologically empowered and talent outcomes. Therefore, this research aims to highlight the importance of talent engagement and investigates how talent engagement and job satisfaction are related with perceived psychological empowerment and talent outcomes through a proposed talent engagement model.

The study adopts the concept of psychological empowerment (PE) by Spreitzer (1995) as a possible predictor, and investigates how it is related to two types of talent engagement; namely, job and organization engagement as well as job satisfaction (JS) that would in turn affect two talent outcomes: intention to stay and dedication. Questionnaire was used for the cross-sectional survey to collect primary data. The respondents were the identified talents among participating Kuala Lumpur and Selangor-based GLC from the G-40 list. The G-40 refers to the initial group of 40 GLC in Malaysia. A total of 342 GLC employees through the distributed 400 questionnaires responded to the survey yielding a response rate of 85.5 percent. Analysis was conducted using statistical techniques of SPSS while the hypothesised model was empirically tested using analysis of moment structure (AMOS) of the structural equation modelling (SEM). In ascertaining the model fit, the study also assessed the significance, the direction and the strength of each hypothesised structural parameter.

The results revealed good internal reliabilities for the six constructs of the study. The results also indicated positive relationships among the six constructs. However, the role of job engagement (JE), organization engagement (OE) and job satisfaction (JS) as mediators was found to be partially supported as there were both direct and indirect effects. Analysis through the significant χ^2 difference tests and discriminant analysis showed that the hypothesised six factors partial mediating model had the best overall fit to the data. The research findings provide both theoretical and managerial implications. As there has yet any empirical research that integrates PE with JE and OE to predict the dedication and the intention to stay of employees, this research contributes theoretical value through a proposed talent engagement model. Additionally, the findings also revealed to the transforming GLC on the importance of incorporating talent engagement with PE in their human capital strategy. In essence, it is hoped that the findings in this study and the proposed talent engagement model would facilitate further academic research as well as the development of theories on talent engagement.

Abstrak

Kajian ini adalah usaha awal dalam penggabungan aspek-aspek psikologi modal insan dan pertalian mereka dengan *engagement* bakat, kepuasan kerja dan hasil penggabungan ini dari aspek pekerja. Kajian ini adalah penting kerana perubahan dinamik di tempat kerja memerlukan kewujudan *engagement* dan kepuasan kerja bagi membolehkan sesebuah organisasi mencapai daya saingan *global* (Fay & Luhrman, 2004). Tambahan pula, pengkajian di dalam konteks pengurusan bakat menunjukkan bahawa terdapat jurang diantara pekerja yang hanya di*empower* secara psikologi dan hasil bakat. Justeru itu, penyelidikan ini bertujuan untuk menekankan kepentingan *engagement* bakat dan mengkaji bagaimana *engagement* bakat dan kepuasan kerja adalah berkait dengan *psychological empowerment* dan hasil bakat melalui satu model *talent engagement* cadangan.

Kajian ini menerimapakai konsep *psychological empowerment* (PE) oleh Spreitzer (1995) sebagai penentu dan menyelidik bagaimana ia adalah berkait dengan dua jenis *engagement* bakat iaitu *engagement* kerja dan organisasi serta kepuasan kerja yang dijangkakan seterusnya membawa kesan kepada dua hasil bakat iaitu niat untuk terus bekerja dan dedikasi. Soal-selidik telah digunakan di dalam kajian ini yang bercorak *cross-sectional* untuk pengumpulan data asas. Responden-responden adalah terdiri daripada bakat-bakat yang telah dikenalpasti oleh GLC daripada senarai G-40 yang berpusat di Kuala Lumpur dan Selangor. G-40 ini merujuk kepada kumpulan 40 GLC asal di Malaysia. Dari 400 soal-selidik yang telah diedarkan, sejumlah 342 pekerja GLC telah menjawab soal-selidik tersebut yang menghasilkan kadar balas sebanyak 85.5 peratus bagi kajian ini. Analisa adalah dijalankan dengan menggunakan teknik statistik SPSS sementara model hipotesis diuji secara empirikal dengan AMOS, iaitu satu teknik SEM. Dalam penentuan kesesuaian model kajian, penyelidikan ini juga menilai signifikan, hala–tujuan dan kekuatan setiap struktur *parameter* yang dihipotesiskan.

Keputusan penyelidikan menunjukkan reliabiliti dalaman yang baik bagi keenam-enam konstruk kajian. Keputusan-keputusan yang dihasilkan juga menunjukkan pertalian positif diantara keenam-enam konstruk tersebut. Namun itu, peranan *job engagement* (JE), *organization engagement* (OE) dan kepuasan kerja sebagai pengantara hanya mendapat sokongan separa kerana wujudnya kedua-dua kesan langsung dan tidak langsung. Analisa melalui ujian perbezaan χ^2 signifikan dan analisa diskriminan menunjukkan bahawa model enam faktor dengan pengantaraan separa mempunyai kesesuaian terbaik bagi data kajian ini. Pencarian dari penyelidikan ini menghasilkan kedua-dua implikasi teori dan pengurusan. Oleh kerana pada masa ini masih tiada penyelidikan empirikal yang menggabungkan PE dengan JE dan OE bagi menentukan dedikasi dan niat terus bekerja di organisasi dari perspektif pekerja, inisiatif penyelidikan ini menyumbang nilai teori melalui model *engagement* bakat cadangan. Tambahan pula, hasil kajian ini juga mendedahkan kepada GLC yang sedang di dalam proses transformasi tentang kepentingan menggabungkan *engagement* bakat dengan PE di dalam strategi modal insan mereka. Pada kesudahannya, adalah diharapkan bahawa hasil penyelidikan ini dan model *engagement* bakat cadangan akan melanjutkan penyelidikan akademik serta pembangunan teori *engagement* bakat.

Acknowledgements

This thesis is dedicated to my parents, especially my late father, who has always been my tower of strength and motivator in the journey of self-enhancement and education.

I also wish to express my deep appreciations to my academic supervisor, Assoc. Prof. Dr. Angeline Tay for her challenges, support and dedication in facilitating my academic pursuit. A sincere gratitude also goes to Prof. Dr. Ainin Sulaiman, Prof. Dr. Ananda Kumar Palaniappan, Assoc. Prof. Dr. Susela Devi, Prof. Azirah Hashim, Prof. Dr. Md.Nor Othman, Assoc. Prof. Dr. Sharifah Latifah Syed Abd. Kadir, Dr. Amran Muhammad and Dr. Sharan Kaur for their valuable advice during the course of my doctoral journey.

I would also like to thank the participating organizations that have provided me with invaluable feedbacks that contributed to the success of this research. I am also indebted to some of the personnel among the participating organizations for their moral support and encouragement.

A big thank you too to Dr. Chan Wai Meng, Ms. Zurina Shaik Osman, colleagues at Malaysia Productivity Corporation (MPC), and all the friendly people at the Faculty of Business and Accountancy (FBA), as well as the UM Graduate School of Business (GSB), who have one way or another assisted me in my doctoral journey, and made my doctorate study at GSB, UM a memorable one.

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LIST OF ABBREVIATIONS

AMOS   Analysis of Moment Structure

CFA   Confirmatory Factor Analysis

CFI   Comparative Fit Index

D   Dedication

DF   Degree of freedom

ECVI   Expected Cross-Validation Index

EE   Employee Engagement

EFA   Exploratory Factor Analysis

GFI   Goodness of Fit Index

GLC   Government-linked Companies

GLIC   Government-linked Investment Companies

GOF   Goodness-of-Fit

HCM   Human Capital Management

ITS   Intention to Stay

JE   Job Engagement

JS   Job Satisfaction

MI   Modification Index

OE   Organization Engagement

PCG   Putrajaya Committee on GLC High Performance

PE   Psychological Empowerment

RMSEA   Root Mean Square Error of Approximation

ROI   Return on Investment

SEM   Structural Equation Modelling

SET   Social Exchange Theory

SPSS   Statistical Package for Social Science

TE   Talent Engagement

UM   University of Malaya