

UNIVERSITY OF MALAYA
ORIGINAL LITERARY WORK DECLARATION

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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 diempower 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.

Table of Contents

Title page	i
Declaration	ii
Abstract	iii
Abstrak	v
Acknowledgement	vii
Table of contents	viii
List of Figures	xii
List of Tables	xiii
List of Abbreviations	xv
Chapter 1: Overview of the Research	1
Introduction	1
1.1 Background	2
1.2 The Problem Statement and Research Objectives	9
1.3 Research Question	12
1.4 Research Scope	13
1.5 Thesis Outline	14
Summary of Chapter	14
Chapter 2: Literature Review	15
Introduction	15
2.1 Philosophical Perspective of the Research	15
2.2 Reviews on Related Literature	17
2.2.1 Talent Management	
2.2.2 Talent Engagement	
2.3 Defining the Engagement of Talents, Job Satisfaction, Psychological Empowerment and Talent Outcomes in the research context	33
2.4 Issues driving the Talent Engagement and Employee Job Satisfaction	47
Summary of Chapter	50

Chapter 3: Research Framework and Hypotheses	51
Introduction	51
3.1 The research framework	51
3.2 Definition of the constructs	54
3.3 The hypotheses	63
Summary of Chapter	72
Chapter 4: Research Methodology	73
Introduction	73
4.1 The Research Design	73
4.1.1 The research method	73
4.1.2 Research sample	75
4.1.3 Questionnaire	77
4.1.4 Research measures	78
4.2 Initial Field Research	83
4.2.1 Initial targeted samples	84
4.2.2 The pilot study	84
4.3 Data collection procedure	86
4.3.1 Research process	87
4.3.2 Data analyses techniques	88
Summary of Chapter	90
Chapter 5: Results	92
Introduction	92
5.1 Sampling Results	92
5.1.1 The data	92
5.1.2 Profiles of the organizations	93
5.1.3 Screening of data	94
5.2 Demographics of the Respondents	95

5.3 Data Analyses	96
5.3.1 Reliability	96
5.3.2 Correlations between the constructs	98
5.3.3 Factor analysis	100
5.3.4 Confirmatory factor analysis (CFA)	104
5.3.5 Assessment of the validity of the measurement model and model fit	106
5.3.6 An analysis of the structural model	127
5.3.7 Hypotheses and mediation analysis	153
Summary of Results	162
Chapter 6: Discussion and Research Implications	164
Introduction	164
6.1 The research findings	164
6.1.1 The six constructs and the research framework	165
6.1.2 The hypotheses	167
6.1.3 The structural equation modelling of the study	175
6.2 The Research Implications	183
Summary of Chapter	193
Chapter 7: Summary, Research Limitations and Recommendations	195
Introduction	195
7.1 Summary of the Thesis	195
7.1.1 A review of the study	195
7.1.2 Summary of key findings	197
7.2 Research Limitations	201
7.3 Recommendations and Future Research	203
Conclusion	207

References	209
Appendices:	
A Survey questionnaire	231
B Reliability statistics	236
C Standardised loading estimates for the hypothesised structural model	237
D The squared multiple correlation or variance extracted values	238
E Discriminant analysis on the model	239
F The correlation and standardised path coefficient of PE, JE and OE.	240

LIST OF FIGURES

Figure	Title	Page
Figure 3.1	The Research Framework	52
Figure 5.1	Measurement Model of Psychological Empowerment.....	109
Figure 5.2	Measurement Model of Organization Engagement.....	114
Figure 5.3	Measurement Model of Job Engagement.....	117
Figure 5.4	Measurement Model of Job Satisfaction.....	120
Figure 5.5	Measurement Model of Dedication.....	123
Figure 5.6	Measurement Model of Intention to Stay.....	125
Figure 5.7	The Combination of Fitted Measurement Models into a Full Hypothesised Model.....	129
Figure 5.8	The Computed Hypothesised Model (Standardised Estimates).....	137
Figure 5.9	The Full Structural Model that has achieved Model Fit.....	150
Figure 5.10	Path diagram showing specified Hypothesised Structural Relationships.....	156
Figure 5.11	Mediation Analysis for Hypotheses 4 and 6.....	158
Figure 5.12	Mediation Analysis for Hypothesis 5.....	160
Figure 6.1	Path diagram showing the hypothesised structural relationships	168

LIST OF TABLES

Table	Title	Page
Table 2.1	Different perspectives on Talent Management.....	24
Table 3.1	Summary of the hypotheses.....	71
Table 4.1	The Research Design in brief.....	83
Table 5.1	Demographic Characteristics of the Respondents.....	97
Table 5.2	Cronbach's Alpha measures for the six constructs.....	98
Table 5.3	Means, Standard Deviation, Skewness, Correlation Matrix and Reliability of the Constructs.....	99
Table 5.4	Summary of the Communalities of the six variables.....	101
Table 5.5	Summary of the KMO and Bartlett's Test Results for the six variables.....	102
Table 5.6	Initial identification of the six constructs.....	105
Table 5.7	Identification of the six constructs after minor modifications for better measurement model fit.....	106
Table 5.8	Comparison of GOF values for the PE measurement model....	110
Table 5.9	The GOF values for the OE measurement model.....	115
Table 5.10	Standardised Residual Covariances for OE.....	116
Table 5.11	Comparison of GOF values for the JE measurement model....	119
Table 5.12	The GOF values for the JS measurement model.....	121
Table 5.13	Comparison of GOF values for the Dedication measurement model.....	124
Table 5.14	The GOF values for the ITS measurement model.....	126
Table 5.15	Standard Error and Critical Ratio of Constructs (Initial full model).....	140
Table 5.16	The Initial Fit Statistics for the Structural Model.....	141
Table 5.17	RMSEA results of the initial hypothesised model.....	142
Table 5.18	The GOF results for Model II.....	144

Table	Title	Page
Table 5.19	The GOF Statistics for Model III.....	145
Table 5.20	The Modification Results for Model Fitness.....	146
Table 5.21	ECVI of Model VI, Model VII and Model VIII.....	151
Table 5.22	RMSEA Results for the revised hypothesised model	151
Table 5.23	Standardised Regression Weights, Standard Error (S.E.) and Critical Ratio (C.R.) of constructs (after model modification).	153
Table 5.24	Standardised Paths of the Hypothesised Model.....	154
Table 5.25	Findings from the Mediation Analysis of the fitted model.....	158
Table 5.26	The Standardised Path Coefficients of JS as the mediator.....	161
Table 5.27	Findings showing the mediation of JS.....	162
Table 6.1	Summary of the Hypotheses Testing Results.....	176
Table 6.2	Discriminant Analysis on the Fitted Model.....	180

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