THE EFFECT OF DECENTRALIZATION TOWARDS AFFECTIVE COMMITMENT AMONG UNIVERSITI SAINS MALAYSIA ADMINISTRATIVE EMPLOYEES

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DEDICATION

To my husband, Roslan Bin Ismail, thank you for your endless support and understanding, my parents, Hasenan Nordin and Kamariyah Ab. Rahim, my sisters, Zaini Ismail, Nurun Najmee Hasenan, Nurun Nazneen Hasenan and Nasrun Hasenan for their prayers, my wonderful sons, Muhammad Zafran and Muhammad Qawiem who may not understood my commitment but believe me you are always my fountain of inspiration. My sincere appreciation to all my friends and colleagues for encouragement given.

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ABSTRAK

Kajian ini adalah untuk memahami kesan desentralisasi (nyahpusat) ke atas komitmen afektif di kalangan Pegawai Tadbir di Universiti Sains Malaysia (USM). Ia turut mengkaji kesan penghubung bagi penyertaan kerja (work engagement) di antara desentralisasi (decentralization) dan komitmen afektif (affective commitment). Kaji selidik berdasarkan kajian terdahulu telah digubal dan dihantar ke pusat-pusat pengajian di Kampus Induk, Pulau Pinang yang terlibat dalam proses nyahpusat pengurusan sumber manusia. Data yang diperolehi daripada kalangan Pegawai Tadbir USM gred 41 sehingga 52 telah digunakan untuk menguji model kajian. Secara keseluruhan, kajian ini mendapati terdapat hubungan positif yang ketara di antara desentralisasi dan komitmen afektif di kalangan Pegawai Tadbir USM. Memandangkan kesemua hipotesis dan subhipotesis telah diterima, ujikaji ini merumuskan bahawa penyertaan kerja merupakan separa penghubung di antara desentralisasi dan komitmen afektif. Kesimpulannya keputusan ujikaji ini boleh digunakan untuk memperbaik peranan bahagian pengurusan sumber manusia daripada sudut memperolehi, membangunkan dan mengekalkan modal insan sebagai pemangkin kepada pencapaian USM sebagai universiti berstatus APEX bagi mengekalkan daya saingannya.

ABSTRACT

The present study investigates the effect of decentralization towards affective commitment among Universiti Sains Malaysia (USM) administrative officers. It also studied the role of work engagement as the mediator between the relationship of decentralization and affective commitment. Questionnaires containing previous measures was developed and sent to schools in the main campus, Penang which was involved in the decentralization of human resources practices. Data from the respective respondents ranging from grades 41 to 52 were used to test the research model. Overall, the study revealed that there is a positive significant relationship between decentralization and affective commitment among USM administrative officers. Since all the hypotheses were supported, the current study concludes that work engagement partially mediates the relationship between decentralization and affective commitment. In conclusion, the findings can be used to enhance both of the roles of human resource department at the central and school levels in attaining APEX mission of attaining, nurturing and retaining talents (human capital) as its competitive advantage.

CHAPTER ONE

INTRODUCTION

1.0   Introduction

This chapter introduces the present study by highlighting the background, problem statement, research objectives, research questions, and definition of key terms, significance of the study and the organization of remaining chapters.

1.1   The importance of Human Resources

Many organization began to realize the importance of human resources (HR) as their core competitive advantage. HR are no longer seen as providing traditional services in terms of providing support such as payroll, benefits, compensation, records training, etc. For that reason, organization began to embark on HR transformation in order to remain competitive in the global business. Universiti Sains Malaysia (USM) is among 21 Public Institute of Higher Education that embarked on HR transformation. As one of the strategy in the transformation process, nearly every country seems to decentralize some of its human resource functions for the past 20 years (Tessema, Soeters and Ngoma, 2009). USM saw the benefits of decentralization as a way to improve its services delivery and decision making process by giving some of HR responsibility to administrative employee at the school level.

1.1.1   Background of Universiti Sains Malaysia (USM)

USM was first known as Universiti Pulau Pinang, when it was first established in 1969. Since then it has grown from a college to the top university in Malaysia, with over

28,000 undergraduates and postgraduates spread out over three campuses and 26 schools. USM has four campuses which consists of the Main Campus located in Penang Island, the Engineering Campus (houses Engineering Schools) located at Seberang Perai Selatan, the Health Campus (houses School of Medical Sciences, Dental Sciences and Health Sciences) located at Kubang Kerian, Kelantan and the Advanced Medical and Dental Institute located at Bertam. In the 40 years since its establishment, USM has built a workforce of over 9,540 staff, of which 4,223 are from the main campus, 4,494 are from the Health campus and 823 staff is from the Engineering campus. For postgraduates programs, USM presently have over 9,000 students, among them are foreign nationals coming from more than 60 countries (USM 41 Convocation Souvenir Book, 2010).

Besides the 26 schools offering the various undergraduate and postgraduate programs, USM has established 13 centers of excellence to drive its Research and Innovation activities. Through a rigorous evaluation process, USM was selected as one of four pioneer research universities in Malaysia. On 3rd September 2008, USM was announced as the APEX University by the Higher Education Minister, a status which nine local universities are seeking. The Accelerated Programme for Excellence (APEX) is a fast track development programme for institutions of higher education to achieve and to be recognized as world class institutions. Under the National Higher Education Strategic Plan (PSPTN), the APEX University was promised autonomy in finance, service scheme, management, student intake, study fees and determining the top leadership. It was also allowed to recruit more lectures and foreign students to create researchers of Nobel Laureate status. APEX University could also offer better terms of service and salary to

foreign lectures to become more competitive despite being under the University and College University Act 1971 (http://www.bernama.com/bernama/v3/news).

1.1.2   Transformation of Human Resource in USM

The transformation of human resource in USM began early in 2002 with the separation of the training unit from the HR department. The separation is to ensure that staff development and training can be optimized and comprehensive (Ali, 2008). In 2008, the HR department went through major transformation in its HR practice from moving to central organization to a decentralized model where all the administrative employees which consist of Assistant Registrar in 24 various schools in the main campuses and branch campuses have been given the responsibility to perform similar duties as has been done in the HR department (central). Some of the human resources function that is decentralized at the school level includes:

a) the appointment of staff intake, particularly the academic posts (permanent, contract and temporary staff),

b) the short listing and interview of Academic Staff Training Scheme (ASTS) and Academic Staff Higher Education Scheme (ASHES),

c) sabbatical leaves, application for leave management,

d) retirement management,

e) staff confirmation process,

f) employee benefits, and performance management.

Some of the core function is still handled by the central level at Bahagian Pengurusan Sumber Manusia – BPSM such as the wages management, staff promotion, applications

for study leave of administrative staff, other staff appointment, and book keeping of services record as accorded by the Civil Service Department or Jabatan Perkhidmatan Awam (JPA) (USM proposal, 2007).

1.2   Problem Statement

The study is to examine the effect of decentralization towards affective commitment among USM administrative employee. Since the announcement of USM as an Apex University by the Higher Education Minister in 2008, USM has undergone numerous transformation strategy in its quest to become the top 100 world class university by year 2013. Human Resource (HR) department without a doubt will play a major role in realizing this dream. They have to make sure that the staff will be provided with learning opportunities in the real world environment to integrate knowledge and concepts of sustainability to local practices, applications and solutions (Dzulkifli, 2008). Underlying this transformation plan, USM will adopt the "Blue Ocean Strategy" introduced by Kim and Mauborgne (2005). This strategy requires that the industry to expand its existing boundaries and change the rules of the game which, in turn, will render competition irrelevant. The transformation strategy will consist of two primary foci which are transforming the three pillars of a world renowned higher education institution, namely the concentration of talent, the abundance of resources and the acculturation of supportive governance; and transforming the output or outcome necessary to be world renowned.

Out of the three pillars, the HR department will focus on the concentration of talent, which refers to the talented individuals who will be part of the transformation plan

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for USM. The overall strategy would focus on how to increase not just the number but also the quality of individuals, which includes the students, faculty, researches, and administrative personnel. The strategies to be adopted may be categorized into the following tasks : getting the best talent, nurturing talent for growth, and retaining and grooming talent. USM's approach to achieve its key performance indicators (KPI) and key intangible performance (KIP) must be business 'unusual' and thus all the three elements below must work in tandem:

(a) talents (academic, support staff, students);

(b) governance (internal and external controlled regulations; PROCESS);

(c) resources (infrastructure and equipment)

To support the three elements, the role of administrative employee at both the central and school levels become more challenging. With the decentralization in place, the administrative employee that carries the HR functions are given the responsibility to expedite the recruitment of academic staff in order to achieve the APEX agenda. These employees are also expected to be more proactive, facilitate and enhance in the process of creating business unusual strategies to reach the University's KPI (Ismail, 2009).

However, in order to move or institute change for the University, the administrators and service providers must know what is expected of them. In the context of USM, the APEX agenda would be smoother if the USM employees have the right attitude and aptitude (Ismail, 2009). Employee's action and behavior is the reflection of their attitude and therefore managers should pay more attention to it. Employees that is committed and satisfied with their job have lower tendency to look for another job of

show intention to quit or being absent from work (Robbins & Judge, 2007). Besides having a committed employee, having an engaged employees would also be a very important ingredients to enhance the APEX agenda. It is said that engaged employees perform better at work than non-engaged employees because of four reasons: employees that are engaged express positive emotions that includes joy, interest at work and happiness, they have good health, able to mobilize resources in terms of their job resources (social support from colleagues, autonomy, coaching, and feedback) and their own personal resources (optimism, self-efficacy, and organization-based self-esteem), and lastly they transfer their engagement to others (Bakker & Demerouti, 2008).

In the context of USM organizational changes, in particular the decentralization process, engagement is an important aspect to study as it is related "to positive individual and work related outcomes" (Maslach, Schaufeli & Leiter, 2001). Examples of work outcomes are "job and career satisfaction and indicators of psychological well-being such as low levels of exhaustion and psychosomatic symptoms" (Koyuncu, Burke and Fiksebaum,,2006, p.301). Schaufeli, Taris, and Rhenen (2008) stated that the major work outcomes that have been studied in relation to burnout are job satisfaction and organizational commitment. Here in the study, the researcher is studying work outcomes in terms of organizational commitment (affective commitment) in relation to work engagement. To the researcher's knowledge, no study has looked into the perspective of work engagement and affective commitment among its employee in the context of decentralized of HR practices in the educational sector, particularly the public university in the higher education.

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1.3   Research Questions

The purpose of this research is to investigate whether there is a relationship between decentralization of HR practice and affective commitment among administrative employees at USM. The research questions which are addressed by this study are:

a) Whether there is a significant positive relationship between decentralization and affective commitment among USM administrative employees?

b) Whether there is a significant positive relationship between decentralization and work engagement among USM administrative employees?

c) Whether there is a significant positive relationship between decentralization and work engagement towards affective commitment among USM administrative employees?

d) Whether work engagement will mediate the relationship between decentralization and affective commitment?

1.4   Research Objectives

The aim of the study is to examine the affective commitment of USM administrative employees which underpin the concept of decentralization in its HR function during the Apex scenario. The following objectives will be addressed:-

a) To examine whether there is a significant positive relationship between decentralization and affective commitment

b) To examine whether there is a significant positive relationship between decentralization and work engagement

c) To examine whether there is a significant positive relationship between decentralization and work engagement towards affective commitment.

d) To examine the mediating effect of work engagement towards the relationship between decentralization and affective commitment.

1.5   Significance of the Study

This study highlight the significance of the study in terms of significance to the university and significance to the school.

1.5.1   Significance to the University

The study is important to examine the effects of decentralization on affective commitment among USM administrative employees during the Apex scenario. In studies of impact or implication of a particular program such as the decentralization process, it would be ideal to measure and compare pre and post performance, not only in terms of the organizational bottom line, but also other facets of the organization such as employee well being, organizational structure, culture and climate. However, since the exercises are on-going, such a comparison is not feasible. Thus, this study is limited to looking at how employee perceived the various initiatives undertaken in the decentralization process in the context of work engagement and affective commitment and how it will influence the organization's future.

In the university context, this study is important to examine how decentralization processes play a major role in complementing the APEX initiatives in reaching its talent management goal and become one of the major source of competitive advantage. As mentioned by Koyuncu, et. al.,(2006), in an effort to remain competitive, organization today are facing tough new challenges. Among the challenges includes the increase pressures in performance, emergence of new technology, the need to accommodate with the increasing variety of workforce, and business that is turning globally (Burke and Cooper 2004; Cooper and Burke, 2002). In order for employee to achieve highest performance, organization needs to uncover their talents and motivations as noted by Katzenbach (2000). However, there seems to be a decline in employee engagement and "there is a deepening disengagement among employees today" (Bates, 2004: Richman, 2006, p.600). It was reported that majority of workers today, "roughly half of all Americans in the workforce, are not fully engaged or they are disengaged leading to what has been referred to as an "engagement gap" that is costing US businesses $300 billion a year in lost productivity" (Bates, 2004; Johnson, 2004; Kowalski, 2003, p.600). In a world that is changing both in terms of the global nature of work and the diversity of the workforce, engaged and committed employees may be a key to competitive advantage. Thus, organization that care and understand the conditions that enhance employee engagement will have accomplished something that competitors will find very difficult to imitate (Macey and Schneider, 2008).

1.5.2   Significant to the School

The factors underlying USM move to decentralize its HR functions is to enhance the administration of Human Resource at the school levels. In gaining the speed and flexibility needed to compete in global environment, USM hope to reduce the large expenditures, particularly the staff emolument by RM 1,000,000. Furthermore, USM hope to have a better succession planning to create future leaders amongst its administrative employees, to give empowerment and more responsibility to schools in the management and human capital administration aspects, to reduce the physical space at the central level (BPSM), to have a better flow of information, and to establish shared vision, shared value and future thinking to overall staff (USM proposal, 2007).

In turn, the university would also like each and every staff to have the self built-in attitude and interest to perform (Ismail, 2009). In this way the performance-based culture is more sustainable in the long run. Thus, the University and school level KPI committees were formed to address these issues. Commitment is fostered by teamwork that builds important social relationships at work, challenging jobs that develop employees and allow them to utilize their talents, and pride in their organization (Osland, Kolb, Rubin & Turner (2007). This study will be beneficial as it will examine the effects of decentralization on affective commitment among USM administrative employees as the unit of analysis is focused at those who are the assistant registrar at the school level.

Therefore, this study is important to understand the effect of decentralization towards affective commitment and work engagement of employees under the decentralization process and during the organizational changes (Apex scenario). This

paper will contribute to both theory and practice in the area of human resource management and organizational behavior. Since there is not much research that is conducted to look at the implication of decentralization of HR functions in terms of work engagement and affective commitment in the context of public higher education, the paper will gives insights and understanding of the best HR practice in the higher education sector, particularly to benefit future decentralization exercises.

1.6   Scope of the Study

The scope of this research is the management level (grade 41 to grade 52) administrative employees at USM, particularly from schools that have been decentralized of HR functions. The participants from the population are diversified by age, gender, grade, campuses, race, academic qualifications, working experience and marital status. The management level employees were selected as the participants mainly because they are the employee that is most affected by the decentralization process. The Assistant Registrar (administrative officer) is particularly the person that is in charge of Human Resource responsibility at the school level. They are the management level that is the key people who are directly involved in the decision making process and they also provide the administrative management support to all research activities. Total population of this research is 30 administrative employees known as Assistant Registrar in the university from 15 schools in the main campus, USM. The other two schools in the main campus were excluded as they have not been under the decentralization process yet.

1.7   Definitions of Key Terms

There are five key terms in this study which is decentralization, organizational commitment, affective commitment, work engagement and administrative employees.

1.7.1   Decentralization

Decentralization is define as transferring responsibility and decision making authority from a central office to people and locations closer to the situation that demands attention (Gomez-Mejia, Balkin & Cardy, 1998).

1.7.2   Organizational Commitment

Organizational commitment is define as the degree to which an employee identifies with a particular organization and its goals and wishes to maintain membership in the organization. There are three separate dimensions to organization commitment which is affective commitment, continuance commitment and normative commitment (Robbins & Judge, 2007).

1.7.3   Affective Commitment

Allen and Meyer (1990) defined affective commitment as an employee's attachment to, identification with and involvement in the organization.

1.7.4   Work Engagement

The definition utilized by Schaufeli, Salanova, Gonzalez-Roma and Bakker (2002) is that work engagement is "a positive, fulfilling, work-related state of mind that is characterized by vigor, dedication, and absorption". Vigor is characterized by high levels

of energy, the willingness to invest energy in one's work and persistence in difficult times; dedication is characterized by high levels of work involvement and feelings of pride and challenge from one's work; and absorption is characterized by deep concentration in one's work the sense that time passes quickly and one is reluctant to leave their work. They further state that engagement is not a momentary and specific state, but rather, it s "a more persistent and pervasive affective-cognitive state that is not focused on any particular object, event, individual, or behavior" (p.74)

1.7.5   Administrative Employees

In the context of USM, administrative employees are the management level employees which is also known as the Assistant Registrar. They can be classified according to current employment grade ranging from grade N41 to the highest grade N54. They are the key people who is directly involved in the decision making and they also provide the administrative management support to all research and academic activities.

CHAPTER TWO

LITERATURE REVIEW

2.0   Introduction

Organization today faces challenges to remain competitive in the long run. Regardless of the sector they are in (corporate, private or public), organization realizes that human resources has become their unique competitive advantage. Other potential competitive advantage such as technology, products or capital can be imitated (Lawler,2003; Pfeffer,1994,1998; Burke and Cooper,2005). Nevertheless, managing human resources is not like what it used to be. Human resource management (HRM) functions also faces competitive challenges which include the challenges of sustainability, the global challenge, and technology challenge (Noe, Hollenback, Gerhart &Wright, 2008). These challenges has prompted organization to engage in transforming their HR functions to be able to compete and sustain in the long run. As a result of these challenges, HR professionals are expected to be more flexible, responsive, efficient and can no longer focus on the administrative aspect of HR activities if they were to contribute strategically to their organization (Yusliza & Hazman, 2008).

2.1   Human Resources Transformation Processes

The mode of transformation can be in the form of outsourcing, off shoring or decentralization of the HR functions. According to Noe, et. al. (2008), human resource management (HRM) functions include analyzing and designing work, determining HR

needs (HR planning), attracting potential employees (recruiting), choosing employees (selection), teaching employees how to perform their jobs and preparing them for the future (training and development), rewarding employees (compensation), evaluating their performance (performance management), and creating a positive work environment (employee relations).

The increasing challenges in the competitive business today have made decentralization as the strongest trends in the transformation strategy (Schuler & Jackson, 2001). Accoding to Gomez-Mejia, et. al.(1998), decentralization is define as "transferring responsibility and decision making authority from a central office to people and locations closer to the situation that demands attention. This entails a greater delegation of responsibilities to lower HR levels and to the operating units and line managers themselves", p.8. Decentralization and centralization is the extent of how high or low the authority is passed in an organization levels (Heady, 1996). The HRM system is more decentralized if the more degree of HR authority is delegated (Tessema et. al., 2009).

Decentralization and centralization is also among the six key elements that managers addresses when designing their organizational structure. The other five elements are work specialization, departmentalization, chain of command, span of control and formalization (Robbins & Judge, 2007). Employee's attitude and behaviors can be affected by these organizational structure. Organization that adopt the decentralization strategy in their HR functions hope to enhance the decision making process since the responsibilities of HR have been delegated to lower HR levels. Coping with changes in

the environment will thus be easier since the HR departments and their organization are more flexible (Schuler & Jackson, 2001).

2.1.1   Forms of Decentralization

There are three major forms of decentralization which is deconcentration, delegation, and devolution. Deconcentration is often considered to be the weakest form of decentralization in a sense it redistributes decision-making authority and financial and management responsibility among levels of a government. Devolution is the transfer of governance responsibility for specified functions to sub national levels, either publicly or privately owned, that are largely outside the direct control of the central government. Finally, delegation is the transfer of managerial responsibility for specified functions to other public organizations outside normal central government control (Kettl, 2000: Meyer, 2006, p.170)

Organization transform their HR functions as they realized that their staff as an important company's human asset that can affect the organizational performance. In finding solution to organizational problems and heightened company's performance, HR is seen as the most valuable assets in the firm's core competence (Rowley & Saaidah, 2007). HR is also expected to measure its own performance in terms of cost efficiency, compliance and satisfaction of its employee as the HR function becomes more strategic (Mario, 2007). Managers can have greater freedom in making decision and be accountable for it when constraints in financial and HR management are removed. This happened as a result of organizational structured that began to move from a highly

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centralized structured to a more decentralized form where managers have easier access to resources and thus can make decisions closer to the point of delivery (Demke, Hammerschmid & Meyer, 2006).

In University at Buffalo, The State University of New York, the university embarked on human resources strategic transformation initiative for the following reasons; HR processes do not incorporate technology with it and therefore made it less efficient, the strategic HR services are not being provided across campus and that HR policies and processes are applied inconsistently across the campus. Therefore their strategy was to combine both centralized and decentralized process in the university practices with emphasis between 55%-60% in the decentralized services, 20%-30% for shared services, and between 15%-20% in centralized services according to their HR pyramid in terms of HR services within Leading Organizations (University at Buffalo power point slide).

2.1.2 Decentralization Impact

Decentralization can unleash creativity for employee to make innovation because its gives them control of their own action. It can also unite the systems in an organization if it is properly coordinated and controlled (Iwe, 2006). Hales (1999) stated that there are four advantages of decentralization, particularly in decentralization 'within management' such as those in the divisional or small business unit (SBU) form. First, unit managers that are given greater flexibility in operational practices can modify and suit their product in accordance with operating and environmental changes, thus this will give the manager at the centre more time to focus on the strategic issues rather than operational and tactical

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details. Secondly, as the operational matter is taken care closer at the point of delivery, organizations can thus cope with environmental changes a lot faster. Thirdly, unit managers have the urgency to perform better and contribute more to the organization as they are given greater freedom, autonomy, responsibility and eventually this will enhance their morale as well. Lastly, decentralization can bring about unit manager's inner sense to be more innovative and freedom in generating ideas and taking risk at work.

Similar findings from interviews conducted under research by Tessema et al., (2009), have found HR reforms to have positive impact in the areas of faster recruitment of talented employees, projection of better image, faster decision-making, more devotion on strategic issues, employee's motivation and morale, integration between centre and division, performance improvement including on the staff development.

However, decentralization also has it down effect. It is found that people that are given autonomy and freedom to make decision can sometime abuse that power by not complying to the procedure or rules that was imposed by the central unit. This maybe due to not being familiar with the regulatory requirements of the central department. The many variations in the laws made it even difficult for the local unit to comply with the issue (Mario, 2007). Further disadvantages of decentralization "relate to the loss of possible scale economics and synergies with the duplication of functions across divisions/units" (Mintzberg, 1979; Schmidt, 1997, p.840).

2.2   Organizational Commitment

Human Resource Management practices can be categorized as job analysis and design, recruitment and selection, training and development, performance management, pay structure, incentives and benefits, and labor and employee relations (Noe et al., 2008). Several researchers have examined the relationship between HRM practices and organizational commitment. Paul and Anantharaman's (2004) in an individual-level analysis study of software professionals showed that HRM practices had a significant relationship with organizational commitment.

According to Wright & Kehoe (2008), in relating HR practices to organizational commitment, three basic factors emerged. First, the focus was on the concept of commitment, particularly organizational commitment. The authors noted that in most literature, there are different conceptualizations of organizational commitment that have been used. The concept of affective commitment is found to be the most important with regard to HRM practices. Secondly, the items to measure organizational commitment is either unidimensional or multi-item scale. Finally, the factor looks at the impact on the concept of HR practices on commitment and performance.

According to Morrow (1993), "organizational commitment involves both organizational and supervisory commitment and is directed by organization attributes such as values and organizational behaviors" p.343. "Commitment to the organization is related positively to a variety of desirable work outcomes including employee job satisfaction, motivation, and performance, and related negatively to absenteeism and turnover" (Mathieu & Zajac, 1990, p. 343).

Organizational commitment is defined as the psychological and emotional attachment of employees to their organizations (Mathieu & Zajac, 1990; Meyer & Allen, 1991; Morrow, 1993). Mowday, Porter and Steers (1982) define organizational commitment as "the measure of strength of the employee's identification with the goals and values of the organization". Similarly, Robbins and Judge (2007) define organizational commitment as "the degree to which an employee identifies with a particular organization and its goals and wishes to maintain membership in the organization". Employees have a stronger desire to contribute meaningfully to the organization if they are emotionally attached to the organization (Fornes, Rocco & Wollard, 2008). Konovsky & Cropanzano (1991) found that organizational commitment leads to increased competitiveness, accountability, and the desire to improve overall job performance.

According to Youndt (2000), organizational performance is not directly influenced by HR practices, only that these practices support in building intellectual capital and thus organizational value creation can be enhanced. There are various forms of employee's commitment to the organization and that the antecedents and consequences of each also varies (e.g., Meyer & Allen, 1997). Organizational commitment or the attachment of employees to their organizations comprised of three components that is affective commitment, continuance commitment and normative commitment. Allen and Meyer (1990) defined affective commitment as an employee's attachment to, identification with and involvement in the organization; continuance commitment as commitment based on the costs that employees associate with leaving the

organization and normative commitment as an employee's feelings of obligation to remain with the organization.

Affective commitment has been found to be the most consistent and strongest predictor of positive organizational outcomes of these three components. Employees that have a strong affective commitment continue to be working with an organization because they want to do so. The concept of affective organizational commitment is perhaps most important in relation to HRM practices. Cohen (2003) stated that this type of commitment refers to emotional attachment toward the organization, the feeling of being a part of the organization is reflected by the need to see the organizational is successful in reaching its goals.

Many organizations are willing to invest highly on HR practices because employees represent a major source of competitive advantage for the company (Fiorito, Bozeman, & Young, 1997), which leads in turn to a greater sense of organizational attachment. "The high-involvement of HR practices are also likely to be perceived as a concrete signal of company's support, trust, and commitment toward its employees" (Eisenberger, Hungtington, Hutchinson, & Sowa, 1986, p. 331).

Although there is an extensive support to positively link HR practices and affective commitment, Pare and Tremblay (2007) found that the role of these practices in the reinforcement of continuance commitment has been less clearly established. Meyer and Allen (1997) and McElroy (2001) have suggested "that HR practices positively influence continuance commitment" while Meyer and Smith (2000) "found no significant relationship between HR practices and continuance commitment". Cohen (2003) found

that a clearer focus on the measure of organizational commitment and performance outcomes can be found through the affective commitment approach. Thus, in this study organizational commitment is used simultaneously with affective measures of commitment.

2.3   Work engagement

According to Zigarmi, Houson, Witt & Diehl (2009), there are a variety of definitions of engagement from the commercial consulting firms and academic studies. "The commercial firms tended to use the term engagement juxtaposed with terms such as organizational commitment, values, and vision, whereas the academic community tended to use the term engagement juxtaposed with terms such as job, role, and expression of self in role" (p.304).

In the academic literature, Kahn (1990,1992 in Saks (2006) define engagements as to be "psychologically present when occupying and performing an organizational role" (p.601). On the other hand, work engagement concept was derived from burnout research that define engagement as the opposite meaning of burnout (unwell-being) (Maslach, Schaufeli, & Leiter 2001).

According to Maslach et al., (2001), engagement is characterized by energy, involvement, and efficacy, the direct opposite of the three burnout dimensions of exhaustion, cynicism, and inefficacy. Unlike those who suffered from burnout, employees that are engaged have more energy to connect with their work activities and are able to cope well with their work demand (Schaufeli, Taris, and Rhenen, 2008).

Schaufeli et. al., (2002), defined engagement "as a positive, fulfilling, work-related state of mind that is characterized by vigor, dedication and absorption." Vigor is characterized by high levels of energy, the willingness to invest energy in one's work and persistence in difficult times; dedication is characterized by high levels of work involvement and feelings of pride and challenge from one's work; and absorption is characterized by deep concentration in one's work the sense that time passes quickly and one is reluctant to leave their work. They further state that engagement is not a momentary and specific state, but rather, it s " a more persistent and pervasive affective-cognitive state that is not focused on any particular object, event, individual, or behavior" (p.74)

According to Koyuncu, et. al.,(2006), workers feels that they are doing their jobs effectively as a results of the energetic feel that was invoked by being engaged at work. Engagement is not an attitude, it is the degree to which an individual is attentive and absorbed in the performance of their roles (Saks, 2006). It is also different from organizational commitment in that it refers to a person's attitude and attachment towards their organization.

According to Nelson and Quick (2009), "engagement at work is important for its positive individual and organizational outcomes. Engagement is the harnessing of organizational members to their work roles. When engaged, people employ and express themselves physically, cognitively, and emotionally as they perform their jobs and their work roles" (p. 486). Engaged workers can be contagious among colleagues of the same work team and can eventually influence them to perform better as a team (Bakker & Demerouti, 2008).

Employee engagement can be further explained by social exchange theory (SET). In this theory, it explains about a relationships that was based on rules of exchange. As long as the parties follow the certain rules of exchange, that relationships will evolve into trusting, loyal, and mutual commitments (Cropanzano & Mitchell, 2005). In rules of exchange, employees that have received benefits in terms of economic and socioemotional resources will usually repay back their organization through their obligation. An example of repayment is through the varying degree of engagement towards the organization according to the resources that they received since it is hard for them to show different level of performance as it is measured in the form of monetary or other administrative administration (Saks, 2006). Thus, this theory "provides a theoretical foundation to explain why employees chose to become more or less engaged in their work and organization" (Saks, 2006, p.603).

Figure 2.1 shows a model of employee engagement that was developed by Saks (2006). At the center of the model are two types of employee engagement which is job engagement and organization engagement. Saks summarized employee engagement as a construct that consists of cognitive, emotional and behavioral components that are linked to the individual's role performance.