

Vol 2 No 1 (2022)

eISSN: 2785-9266



ISSUES AND PERSPECTIVES IN BUSINESS AND SOCIAL SCIENCES

 **MMU**[®] | PRESS
MULTIMEDIA UNIVERSITY



ISSUES AND PERSPECTIVES IN BUSINESS AND SOCIAL SCIENCES

VOLUME 2 · ISSUE 1 · JANUARY 2022

www.journals.mmupress.com/ipbss

ISSUES AND PERSPECTIVES IN BUSINESS AND SOCIAL SCIENCES

Editor-in-Chief

Zauwiyah Ahmad, *Multimedia University, Malaysia*

Associate Editors

Goh Mei Ling, *Multimedia University, Malaysia*

Mohammad Tariqul Islam Khan, *Multimedia University, Malaysia*

Teo Siew Chein, *Multimedia University, Malaysia*

Yuen Yee Yen, *Multimedia University, Malaysia*

Wendy Teoh Ming Yen, *Multimedia University, Malaysia*

Language Editor

Sareen Kaur Bhar, *Multimedia University, Malaysia*

Editorial Board

Adrian Lee Yuen Beng, *Universiti Sains Malaysia*

Elsadig Musa Ahmed, *Multimedia University, Malaysia*

Gerald Goh Guan Gan, *Multimedia University, Malaysia*

Hishamuddin Ismail, *Multimedia University, Malaysia*

Patsriyanyong Sungroong, *Silpakorn University, Thailand*

Ponco Budi Sulisty, *Universitas Mercu Buana, Indonesia*

Praveen Balakrishnan Nair, *Heriott-Watt University, Malaysia*

Seyed Mehrshad Parvin Hosseini, *Sohar University, Oman*

Yasir Rashid, *University of Management & Technology, Pakistan*

International Editorial Advisory Board

Agustina Zubair, *Universitas Mercu Buana, Indonesia*

Andy Koronios, *University of South Australia, Australia*

Christopher Selvarajah, *Swinburne University of Technology, Australia*

Eric Tsui, *Hong Kong Polytechnic University, Hong Kong*

Iqbal Khadaroo, *University of Sussex, UK*

Luis F. Dumlao, *Ateneo de Manila University, Philippines*

Mark Toleman, *University of Southern Queensland, Australia*

Muhammad Kashif, *GIFT University Pakistan*

Pablo Zoghbi-Manrique-de-Lara, *University of Las Palmas de Gran Canaria, Spain*

Pierre Ohayon, *Universidade Federal do Rio de Janeiro, Brazil*

Prakash Singh, *Indian Institute of Management Lucknow*

Rado Bohinc, *University of Ljubljana, Slovenia*

Raj Gururajan, *University of Southern Queensland, Australia*

Seiki Yukimoto, *Kanagawa University, Japan*

Copyright

Copyright © 2022 Universiti Telekom Sdn. Bhd. All articles in this volume are licensed under the Creative Commons BY-NC-ND 4.0 International License.

CONTENTS:

- The effects of transformational leadership and change management on civil servants' motivation: A study at the Regional Secretariat of Sumedang Regency 1-9
Ahmad Nugraha Rahmat, Ratri Wahyuningtyas
- The peculiar case of property rights in legal clauses 10-19
Dennis W. K. Khong
- The influence of employee participation, rewards and recognition, job security, and performance feedback on employee engagement 20-30
Quay Chee Chin, Afandi Yusof

Issues and Perspectives in Business and Social Sciences

The effects of transformational leadership and change management on civil servants' motivation: A study at the Regional Secretariat of Sumedang Regency

Ahmad Nugraha Rahmat^{1*}, Ratri Wahyuningtyas¹

¹ Faculty of Economy & Business, Telkom University, Bandung, Indonesia.

*correspondence: ahmadnr@student.telkomuniversity.ac.id

Abstract

This study aimed to analyse the effects of transformational leadership and change management on the motivation of civil servants, with a case study at the Regional Secretariat of Sumedang Regency. This study used quantitative and descriptive-causality analysis methods. The saturated sample of census technique was used, involving 200 civil servants in the Regional Secretariat of Sumedang Regency. It was concluded from this study that the application of transformational leadership in Sumedang Regency went very well. Change management has been very effective and the motivation of civil servants was very high. The implementation of transformational leadership should be prioritised within the Sumedang Regency to further encourage motivation among the state civil servants. The replication and adaptation of transformational leadership and change management must be implemented in all organisations and institutions within the Sumedang Regency, to produce a collective impact on regional progress.

Keywords:

Transformational leadership;
Change management;
Motivation;
State civil servants;
Aparatur sipil negara.

Received Aug, 2021

Accepted Sep, 2021

Published Jan, 2022

1. Introduction

According to Dony (in Wasliah, 2019), several regions in Indonesia have continued to improve and unleash their best potential in supporting the nation's economic growth and the welfare of people. Several regencies and cities in Indonesia are currently starting to emerge as role models for modern and advanced regencies as well as cities, with success in various fields. One of them is Sumedang Regency in West Java, which is now one of the areas with promising growth potential. Several national strategic projects are directly related to Sumedang's potential progress, including West Java International Airport (BIJB) in Kertajati, The Jatigede Dam Project, and Cileunyi-Sumedang-Dawuan Toll Road or Cisumdawu Toll Road Project.

The progress of the Sumedang Regency cannot be separated from the motivation of the civil servants as the main motor of government and regional development. The Indonesian civil servants are known as Aparatur Sipil Negara and hence, the abbreviation ASN is used in this study. In 2017 to 2019, there was an increase in the level of ASN attendance in the Regional Secretariat of Sumedang Regency. The attendance level is an indicator to measure the motivation level of ASN. From Table 1, there is an increase in ASN attendance from year to year even though it has not reached the ideal percentage of 100%.

Table 1. Attendance Rate of ASN

Year	Attendance
2017	87.21 %
2018	89.05 %
2019	98.60 %

Source: Regional Secretariat attendance data, 2019

ASN wellness indicators can also be seen from the increase in the achievement of the regional mid-term development planning (RPJMD) index in Sumedang Regency from 2017 to 2019 as seen in Table 2. Naile and Salesho (2014) have shown that transformational leadership style has a positive impact on the work motivation of subordinates. In the corporate sector of the telecommunications industry, Ahmad et al. (2014) have also revealed similar results, transformational leadership has a positive and significant effect on employee motivation. According to Danim (2004), transformational leadership is the ability of a leader to work with and/or through other people to optimally transform organisational resources to achieve meaningful goals in accordance with predetermined achievement targets. Bass (in Yukl, 2010) has added that transformational leadership is a condition of subordinates of a transformational leader who feel trust, admiration, loyalty, and respect for the leader, and they are motivated to do more than what they initially expected.

Table 2. Target Achievement of Sumedang Regency RPJMD

Indicator	Unit	Initial Conditions		
		2017	2018	2019
Life Expectancy	Year	72.00	72.07	72.29
Average Length of Schooling	Year	7.98	8.12	8.27
Students' expectations of further education	Year	12.93	13.08	12.96
Per Capita Expenditure	Million	9.57	9.84	10.406
Human Development Index	Point	70.07	70.53	70.53
Economic Growth Rate	Percent	6.23	6.34	6.32
Percentage of Poor Population	Percent	10.53	9.76	9.05
Open Unemployment Rate	Percent	7.15	7.04	7.63
Gini Index	Point	0.39	0.42	0.34
Bureaucratic Reform Index	Point	-	56.05	79.34
SPBE Index	Point	-	2.4	2.51
Performance Accountability System	Point	-	60,98	B

Source: Bappeda Kabupaten Sumedang, 2020

In addition to the transformational leadership model, change management is also one of the variables that can increase employee motivation. Firdaus and Hendriyono (2018) have stated that change management has a significant positive effect on employee motivation. According to Applebaum et al. (2018), organisational change has an impact on employee motivation and performance. Coffman and Lutes (2007) have explained that change management is a structured approach to help organisations and people transform from their current state to their desired state. Based on the research background that has been described above, we examined the relationship between leadership strength, especially transformational leadership, and change management with ASN motivation in Sumedang Regency.

2. Methodology

This study used quantitative methods with descriptive and causal research techniques. It is worth knowing that since qualitative and quantitative research formulate specific problems using a structured research design, the validity and reliability are therefore tested and can be clearly defined and recognised from the beginning. According to Neolaka (2014), quantitative research

is a method where the data is in the form of numbers and statistical analysis is used to examine the population or sample. According to Rolph (in Sangaji and Sopiah, 2010), descriptive research deals with problems in the form of current facts from a population which includes the assessment of attitudes or opinions of individuals, organisations, circumstances, or procedures. Meanwhile, descriptive research with causal relationship is a research design to examine the possibility of a cause-and-effect relationship among variables (Sanusi, 2013). In this study, a questionnaire survey was used to collect data from 200 civil servants employed by the Regional Secretariat of Sumedang Regency.

Data analysis used include descriptive analysis, classic assumption tests, and simple linear regression analysis. According to Sujarweni (2014), descriptive statistics describe the various characteristics of the data that come from a sample. We use descriptive analysis to determine the effects of transformational style on the work motivation of ASN at the Regional Secretariat of Sumedang Regency. Respondents were asked to respond to each questionnaire item using a five-point Likert-like scale, ranging from 1, strongly disagree to 5, strongly agree. The responses were then transformed as below:

- a. The cumulative value or the sum of responses were calculated.
- b. The percentage of the scores were calculated, whereby the minimum percentage was 20% (a rating of 1 out of 5) and the highest percentage was 100% (a rating of 5 out of 5).
- c. The increment of each rating point is determined at 16% $((100\% - 20\%)/5)$.

The score interpretation criteria were established as follows:

Table 3. Percentage of values in the line-continuum

Percentage	Criteria		
	Leadership Style	Change management	Motivation
20% - 36%	Worst	Very Ineffective	Lowest
>36% - 52%	Worse	Less Effective	Lower
>52% - 68%	Fairly Good	Enough Effective	Fairly High
>68% - 84%	Good	Effective	High
>84% - 100%	Very Good	Very Effective	Highest

2.1 Normality test

Normality test is intended to ensure that the sample data comes from a normally distributed population. According to Sujarweni (2014), a normally distributed data means a normal distribution with a profile that can be said to represent the population. There are two ways to determine data normality: namely, by looking at the normal probability plot graph and the One-Sample Kolmogorov-Smirnov Test. In this study, we used the One-Sample Kolmogorov-Smirnov Test, with the provision that if the significance value is > 0.05 , it can be concluded that the data is normally distributed. Meanwhile, if the significance value is < 0.05 , the data are not normally distributed. The test conducted on the data showed that the data are normally distributed whereby the Kolmogorov-Smirnov Z values for transformational leadership, change management, and motivation are 1.106, 1.248 and 1.125 respectively. All significance values are well above 0.05 (transformational leadership, $p = 0.173$; change management, $p = 0.089$ and motivation, $p = 0.159$).

2.2 Multiple regression analysis

To perform multiple linear regression analysis, we used SPSS software to simplify and reduce the error rate. The general regression equation used in this study is as follows:

$$Y = a + b_1 X_1 + b_2 X_2$$

where:

Y = Work Motivation

a = Constant

b = regression coefficient

X1 = Transformational Leadership Style

X2 = Change Management

3. Results

3.1 Descriptive analysis results

Table 4 shows the respondents' perceptions of transformational leadership. It can be seen that the average percentage for X1 is 89.5%, which is considered as very good. The highest percentage is found in the Inspirational Motivation dimension, which is 90.3%.

Table 4. Descriptive Analysis of Transformational Leadership Variables

Dimension	Item number	Frequencies*					Total		Overall %
		5	4	3	2	1	Score	%	
<i>Idealised influence</i>	1	141	58	1	0	0	940	94.0%	89.2%
	2	64	116	19	1	0	843	84.3%	
	3	126	67	5	1	1	916	91.6%	
	4	77	116	6	1	0	869	86.9%	
<i>Intellectual stimulation</i>	5	139	59	2	0	0	937	93.7%	89.7%
	6	77	110	9	3	1	859	85.9%	
	7	102	97	0	0	1	899	89.9%	
	8	101	92	6	0	1	892	89.2%	
<i>Inspirational motivation</i>	9	104	84	8	3	1	887	88.7%	90.3%
	10	117	81	1	1	0	914	91.4%	
	11	112	83	2	3	0	904	90.4%	
	12	111	86	2	1	0	907	90.7%	
<i>Individualised consideration</i>	13	91	100	6	3	0	879	87.9%	88.8%
	14	83	104	9	3	1	865	86.5%	
	15	123	73	3	1	0	918	91.8%	
	16	101	90	6	2	1	888	88.8%	
<i>Transformational Leadership (Average value)</i>						894.8	89.5%		

* Rating scale: 5 = Strongly agree; 4=Agree; 3=Neutral; 2=Disagree; 1=Strongly disagree

Table 5 shows the respondents' perceptions about change management. It can be seen that the average percentage for X2 is 85.6%, which is categorised as very effective. The highest percentage is the Awareness dimension, which is 88.0% and the lowest value is the Knowledge dimension, with the average score of 81.4%.

Table 5. Descriptive Analysis of Respondents for Change Management Variables

Dimension	Item number	Frequencies*					Total		Overall %
		5	4	3	2	1	Score	%	
Awareness	1	88	100	12	0	0	876	87.6%	88.0%
	2	86	99	13	1	1	868	86.8%	
	3	91	103	3	2	1	881	88.1%	
	4	109	85	1	1	4	894	89.4%	
Desire	5	108	89	3	0	0	905	90.5%	87.2%
	6	54	128	14	1	3	829	82.9%	
	7	52	135	12	1	0	838	83.8%	
	8	121	75	4	0	0	917	91.7%	
Knowledge	9	38	136	20	4	2	804	80.4%	81.4%
	10	44	139	16	0	1	825	82.5%	
	11	37	139	23	1	0	812	81.2%	
Ability	12	59	134	4	2	1	848	84.8%	84.8%
	13	65	127	6	1	1	854	85.4%	
	14	74	121	5	0	0	869	86.9%	
	15	46	132	19	2	1	820	82.0%	
Reinforcement	16	90	101	6	2	1	877	87.7%	86.5%
	17	73	115	10	1	1	858	85.8%	
	18	75	116	6	1	2	861	86.1%	
<i>Change Management (Average value)</i>						608.3	85.6%		

* Rating scale: 5 = Strongly agree; 4=Agree; 3=Neutral; 2=Disagree; 1=Strongly disagree

Table 6 shows the respondents' scores for motivation. It can be seen that the average percentage for Motivation is 88.8%, which is considered very high. The highest score is the Need of Affiliation dimension, which is 93.4% and the lowest value is the Need of Power dimension with a value of 84.7%.

Table 5. Descriptive Analysis of Respondents for Motivation

Dimension	Item number	Frequencies					Total		Overall %
		5	4	3	2	1	Score	%	
<i>Need of Achievement</i>	1	126	72	2	0	0	924	92.4%	88.2%
	2	111	85	3	1	0	906	90.6%	
	3	72	121	7	0	0	865	86.5%	
	4	60	118	19	2	1	834	83.4%	
<i>Need of Affiliation</i>	5	154	46	0	0	0	954	95.4%	93.4%
	6	137	61	2	0	0	935	93.5%	
	7	147	51	0	2	0	943	94.3%	
	8	161	39	0	0	0	961	96.1%	
	9	103	77	17	2	1	879	87.9%	
<i>Need of Power</i>	10	88	87	21	2	2	857	85.7%	84.7%
	11	91	70	36	2	1	848	84.8%	
	12	63	116	17	3	1	837	83.7%	
<i>Motivation (average value)</i>						677.5	88.8%		

* Rating scale: 5 = Strongly agree; 4=Agree; 3=Neutral; 2=Disagree; 1=Strongly disagree

3.2 Correlation analysis test results

The correlation test results can be seen in Table 6, which determine whether there is a relationship between transformational leadership with motivation and change management with motivation as well. Based on the test results, it is found that there is a positive and significant

relationship among transformational leadership, change management and motivation. This is indicated by the correlation coefficient value of transformational leadership with motivation of 0.527 and the correlation coefficient for change management and motivation of 0.667. The significance value (2-tailed) of below 0.05 indicates that the relationships between tested variables are significant.

Table 6. Results of Pearson Correlation Analysis

	Transformational leadership	Motivation
Change management	0.644**	0.667**
Motivation	0.527**	-

** Correlation is significant at the 0.01 level (2-tailed).

3.3 Multiple Regression Analysis

Prior to conducting the multiple regression analysis, the data were examined for multicollinearity, heteroscedasticity and autocorrelation issues. The tolerance and VIF values derived from the data (0.586 and 1.707 respectively), as well as the correlation between the independent variables show that there is no multicollinearity issue. The heteroscedasticity test was done by observing the residuals in the regression model shown in a scatterplot. From the scatterplot (Figure 1), it can be seen that the residuals do not form a clear pattern and the points spread above and below 0 on the Y axis, thus it could be concluded that the residual value of the model is not influenced by the dependent variable or the independent variables, indicating that there is no heteroscedasticity problem in the model. We also have determined that autocorrelation is not an issue of the data based on the Durbin-Watson test.

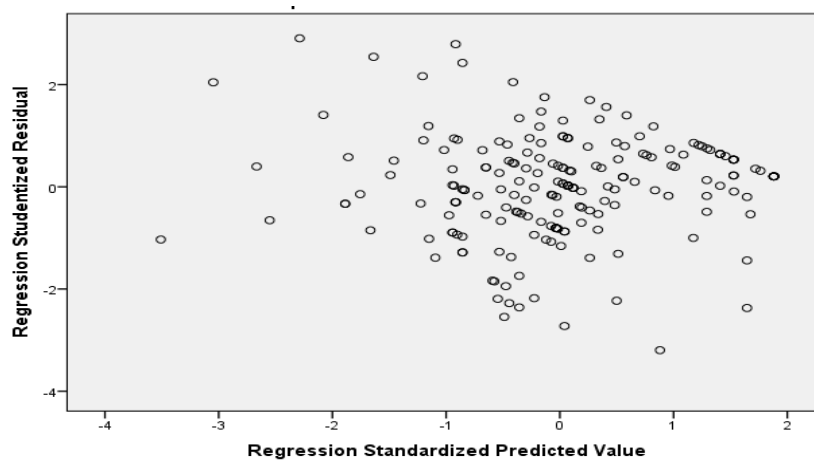


Figure 1. Heteroscedasticity Test Results

Table 7 summarises the results of the multiple linear regression analysis. Based on the results, the following linear regression equation was formed: $Y = 17.080 + 0.131 X_1 + 0.353 X_2$. The equation is therefore interpreted as below:

- The value of $Y = 17.080$ indicates that if X_1 and X_2 are worth 0 then motivation will be worth 17.080 units.
- The value of $X_1 = 0.131$ indicates that if X_1 increases by one unit, while X_2 is constant, motivation will be worth 0.131 units. The coefficient is positive, meaning that there is a positive relationship between transformational leadership and motivation. The better the value of transformational leadership, the better the motivation.
- The value of $X_2 = 0.353$ indicates that if X_2 increases by one unit, while X_1 is constant, motivation will be worth 0.353 units. The coefficient is positive, meaning that there is a

positive relationship between change management and motivation. The better the value of change management, the better the motivation.

The regression analysis showed significant influence of change management and transformational leadership on motivation. The *F*-statistics of 84.220 with a significance level of 0.000 indicates that the regression model can be used to predict motivation. Both independent variables could predict 45.5% of change in motivation (Adjusted $R^2 = 0.455$).

Table 8. Results of multiple linear regression analysis

	Unstandardised Coefficients		Standardised Coefficients	<i>t</i>	Sig.
	β	Std. Error	β		
(Constant)	17.080	3.069		5.565	0.000
Transformational leadership	0.131	0.054	0.167	2.448	0.015
Change management	0.353	0.043	0.559	8.180	0.000
R^2	0.461				
Adjusted R^2	0.455				
<i>F</i> -statistic	84.220				
<i>p</i> -value	0.000				

a. Dependent Variable: Motivation

4. Discussion

Results of this study also show that transformational leadership has been properly applied to the employees of the Regional Secretariat of Sumedang Regency and that transformational leadership is functioning appropriately. The transformational leadership variable consists of four dimensions, namely: idealised influence, intellectual stimulation, inspirational motivation, and individualised consideration. All dimensions show high scores, further indicate the strength of transformational leadership. So far, in the Sumedang Regency, there are no figures who can be used as role models for leadership. Previously, many regional leaders faced various legal and political issues. Nowadays, regional leaders have received a lot of appreciation externally and internally. This may have resulted in the high scores for the Idealised Influence and Inspirational Motivation dimensions. In terms of increasing the capacity of ASN, the current government has initiated and implemented many trainings, mentoring and coaching programmes, in collaboration with various parties. This shows that intellectual stimulation has received special attention from the government – which could be observed from the high score of the dimensions. Moreover, since the past two years of the current regent's leadership, the attention to individual ASN is quite good. Rewards and punishments have been carried out well, and individual performance measurement has been carried out systemically. This is believed to have affected the scores for individual consideration dimension.

Before the current Regent's leadership, ASN's motivation in the Sumedang Regency was average and tended to be stagnant. This can be seen from the percentage of attendance, involvement and contribution in activities. Currently, with good leadership and change management within the local government, ASN's motivation has increased quite significantly. ASN are now starting to look more competitive, collaborative, and have a strong desire to further advance their careers. Results of this study show that motivation among the respondents is very high for all three dimensions of motivation.

Findings of this study also indicate the existence of processing resources in the Regional Secretariat of Sumedang Regency and that change management is running in accordance with organisational goals. The change management variable consists of five dimensions, namely:

Awareness, Desire, Knowledge, Ability, and Reinforcement. Each dimension was scored highly by the respondents, indicating very effective change management. In the previous leadership era, organisational change management received less attention. But along with the development of business, social and political dynamics, change management is currently receiving special attention. However, ASN's awareness of the importance of regional progress and performance for the prosperity of the community was still lacking. The desire to do more is still low. The opportunity to increase knowledge and abilities is still limited. Competitive skills are still relatively inadequate, and there is no firm actions towards ASNs with deviant performance. Currently, the WBK (corruption-free zone) and WBBM (Clean and Serving Bureaucracy Zone) programmes have been enforced in every environment of the Sumedang Regency.

The significant relationship between transformational leadership and motivation is in accordance with Pawar and Eastman (in Edison, 2016) which states that transformational leaders inspire followers to believe in themselves and also believe in their potential to create a better future for the organisation. In line with that, Yulk (in Edison, 2016) has added that with the presence of transformational leadership, subordinates feel trust, admiration, loyalty and respect for the leader, so that they are motivated to do more than what was expected.

Change management has also been found to be significantly related to motivation. The result is consistent with Coffman and Lutes (2007) who have argued that change management is a structured approach to help organisations and people transition slowly but surely from their current state to their desired state. In line with that, Nauheimer (2007) has stated that change management can be described as a process, tools and techniques for managing the change process on the people's side to achieve the required results and to realise change effectively through change agents, teams and wider systems.

The results of regression analysis are in accordance with Sutrisno (2010) which asserts that every activity carried out by a person cannot be separated from various motives and attitudes. Motive is a power that arises within a person that encourages him to do something, because of the basic human needs that are universal, but some are stimulated from outside. The external stimuli can be physical or non-physical which is then referred to as motivation. The findings are also in accordance with Gumilar (2015) regarding the influence of leadership style on work motivation of employees on PD Bag products.

5. Future studies

We recommend that similar research could be conducted to other regional working units and other institutions in the Sumedang Regency, so as to record collective progress in the government environment. With regards to improving management effectiveness via change management, it is necessary to carry out continuous socialisation and replication in all government units in order to produce collective change in the government environment.

Acknowledgement

The authors appreciate the cooperation and assistance provided by the Regional Secretariat of Sumedang Regency which has enabled the completion of this study.

REFERENCES

- Ahmad, F., Abbas, T., Latif, S., & Rasheed, A. (2014). *Impact of Transformational Leadership on Employee Motivation in the Telecommunication Sector*. Journal of Management Policies and Practices, 1-2.
- Appelbaum, Steven H., Profka, Edmiela., Depta, Aleksandra Monika., and Petrynski, Bartosz. (2018). *Impact of Business Model Change on Organisational Success*. Industrial and Commercial Training.
- Coffman, Karen., Lutes, Kathie. (2007). *Change Management: Getting User Buy In*. [online]. <http://www.actgov.org/MOC2007> [Retrieved July 11, 2019]
- Danim, Sudarwan. (2004). *Motivasi Kepemimpinan & Efektivitas Kelompok*. Jakarta: PT Rineka Cipta.
- Edison, E. (2016). *Manajemen Sumber Daya Manusia*. Bandung: CV Alfabeta.
- Firdaus, Vera., Handriyono. (2018). *The Effect of Change Management and Managerial Skill to Employee Motivation*. International Journal of Scientific & Technology Research Volume 7, Issue 7.
- Gumilar, T. (2015). *Pengaruh Gaya Kepemimpinan Terhadap Motivasi Kerja Karyawan (Studi Kasus Pada Produk Tas PD. Madeleine Bandung)*. Universitas Islam Bandung (Unisba). Bandung: Unplished Thesis.
- Naile, Idah., dan Salesho, Jacob M. (2014). *The Role of Leadership in Employee Motivation*. Mediterranean Journal of Social Sciences, 2-3.
- Nauheimer, Holger. (2007). *Change Management for One World: A Virtual Toolbook for Learning Organisation in Development*. [online]. Tersedia di <http://www.change-management-toolbook.com/> [Retrieved July 10, 2019]
- Neolaka, A. (2014). *Metode Penelitian dan Statistik*. Bandung: PT. Remaja Rosdakarya.
- Sangaji, Etta Mamang., dan Sopiah. (2010). *Metodologi Penelitian*. Yogyakarta: Andi.
- Sanusi, A. (2013). *Metodologi Penelitian Bisnis*. Jakarta: Salemba Empat.
- Sujarweni, V. W. (2014). *Metodologi Penelitian*. Yogyakarta: Pustakabarupress.
- Sutrisno, Edi. (2010). *Manajemen Sumber Daya Manusia*. Jakarta: Kencana Prenada Media Group.
- Wasliah,E.(2019). *Investor Luar Negeri Lirik Potensi Perekonomian Jawa Barat*. [online]. <http://www.galamedianews.com/bandung-raja/227400/investor-luar-negeri-lirik-potensi-perekonomian-jawa-barat.html> [Retrieved July 13, 2019].
- Yukl, Gary.(2010). *Kepemimpinan dalam Organisasi*. Jakarta: PT. Indeks.

Issues and Perspectives in Business and Social Sciences

The peculiar case of property rights in legal clauses

Dennis W. K. Khong

Faculty of Law, Multimedia University, Malaysia

correspondence: wkkhong@mmu.edu.my

Abstract

Despite the tremendous value in well-written legal clauses, legal clauses enjoy little property rights protection under intellectual property law such as copyright. For example, in most jurisdictions, legislation is excluded from copyright protection. And even if they are technically covered under crown copyright as in the United Kingdom, licensing requirements may be waived and there is no legal repercussion for reusing partly or wholly such legal documents. Even in drafting legal agreements, lawyers tend to reuse clauses from templates and precedents. Commonly, sharing of such legal clauses is the norm rather than the exception. This article examines the relevant copyright law in the United Kingdom, the United States and Malaysia on this subject matter. It then looks at the economic justification for the lack of property rights recognition in legal clauses, such as efficiency and public goods argument. High transaction costs may partially account for the absence of property rights, but other economic considerations such as network effect may also be at play.

Keywords:

Legal clauses;
Copyright;
Property rights;
Non-protection;
Economic justifications.

Received May, 2021

Accepted July, 2021

Published Jan, 2022

1. Introduction

Legal clauses are phrases use in legal instruments such as statutes, contracts, memoranda, statements and notices. Frequently, but not necessarily, they are drafted or written by lawyers. Unlike general literary writing, legal clauses tend to be more stylised and employ specific terminologies and phraseologies. Therefore, although different legal instruments may serve different purposes and have to be written in different ways, there is still substantial reuse of legal clauses in these instruments.

There is tremendous value in well-written legal clauses. Well-written legal clauses contain fewer mistakes and bring less legal uncertainty to those who adopt them. They are time-tested in courts and most likely have been accepted by the courts without much difficulty. Often, well-written legal clauses are easy to be understood and interpreted by lawyers familiar with the subject matter. In essence, well-written legal clauses give great benefits to those who adopt them.

In general, we can find reuse of legal clauses in both legislation and non-legislative documents. With regards to legislation, it is common in the legal world for legislatures to reproduce provisions of statutes from another country or jurisdiction into their own. Reproduction of statutory provisions from one jurisdiction to another is a quick and easy way to effect legal transplants (Fedtke, 2006). Courts in common law countries routinely refer to judgment from

other common law jurisdictions for guidance on the interpretation of terms and phrases when the provisions there are *in pari materia* to those in their home countries. Similarly, for non-legislative material, lawyers routinely reuse legal clauses from pr

ecedences prepared by others or themselves when drafting legal documents. This practice saves time, ensures certainty of interpretation and minimises mistakes in the drafting of legal documents.

The length of re-used legal clauses varies from a few words to a complete document running to tens or hundreds of pages. Given that there is a lot of value in well-written legal clauses, it is indeed a puzzle why intellectual property law, particularly copyright law, is not often used to create exclusive rights in these legal clauses for the original creators to extract extra profits.

This paper thus proposes to examine the copyright protection (or non-protection) of legal clauses and discuss possible economic reasons why such behaviour is observed. The methodology used in this paper is primarily legal doctrinal analysis (Dobinson and Johns, 2007). Doctrinal analysis is a legal research methodology that is used to answer the question of “What is the law?”. Additionally, an economic analysis of law approach is used to provide an economic explanation of the law.

The jurisdictions that are examined are limited to the United Kingdom, United States and Malaysia, for the reason that the first two are major common law countries, and that Malaysia, where the author resides, is also a common law country. The same arguments raised may apply to other non-common law jurisdictions, but this has to be confirmed by other researchers in the future.

2. Copyright protection of legal clauses

Copyright law around the world is largely harmonised under the Berne Convention for the Protection of Literary and Artistic Works 1886 (‘Berne Convention’) and the Agreement on Trade-Related Aspects of Intellectual Property Rights 1995 (‘TRIPS Agreement’). Legal clauses fall under the category of copyright works known as ‘literary works’. Most legislative provisions and case laws dealing with the copyright of legal clauses concern with copyright protection of legislation instead of specific non-legislative legal clauses. We can, however, look at examples from three common law jurisdictions to see what the legal position is with regards to copyright protection of legal clauses.

2.1 United Kingdom

In relation to copyright protection of legislation, section 164(1) of the Copyright, Designs and Patents Act 1988 provides for the concept of Crown copyright. It enables the UK government to claim copyright ownership over all legislation of its legislature. The original function of this is to allow the UK government to claim royalties for printing official documents, including statute books. But in line with efforts to liberalise access to legislation online, legislation available on the UK government’s website is available for free and re-usable under an Open Government License, which permits free re-use and distribution of the legislation (The National Archives, 2016). Also, a quick search on the Westlaw database did not turn up any reported court decision concerning section 164, suggesting that there was no reported decision involving the enforcement of section 164. Most likely, and in common practice, the British Crown does not sue individuals and other countries for copying and using sections of its Acts of Parliament.

Section 45(1) of the Copyright, Designs and Patents Act 1988 further states that “[c]opyright is not infringed by anything done for the purpose of parliamentary or judicial proceedings.” This provision explicitly exempts the reproduction of legal clauses, statutory provisions and written judgments for a judicial proceeding, which include both the pleadings and judgments. Section 45(1), however, does not grant an excuse for infringing copyright in legal clauses in a non-judicial context, i.e. drafting of legal documents.

Given the sparse legislative exception in the copyright statute, we have to look to the copyright doctrines for an answer. The first approach is to look at the extent copyright law gives protection to short phrases. In *Francis Day and Hunter, Ltd v Twentieth Century Fox Corporation, Ltd*, the Privy Council, in an appeal from Ontario, held that the title of a song entitled “The Man Who Broke the Bank at Monte Carlo” is not a literary work as not capable of copyright protection in its own right. In a related case, *Exxon Corporation v Exxon Insurance Consultants International Ltd*, the court held that a single invented word, ‘Exxon’, is not capable of being protected under copyright law as it is not a literary work. However, in a more recent decision, the UK court has departed from the previous approach. In *The Newspaper Licensing Agency Ltd v Meltwater Holding BV*, the Court of Appeal held that “newspaper headlines are capable of being original literary works”. Hence, it is no longer true that the length of a sentence or a paragraph is a useful determinant of the copyrightability status of the sentence or paragraph.

The second approach is to rely on the distinction between non-copyrightable ideas and copyrightable expressions. According to Lord Hoffmann in *Designers Guild Ltd v Russell Williams (Textiles) Ltd*, that “certain ideas expressed by a copyright work may not be protected because, although they are ideas of a literary, dramatic or artistic nature, they are not original, or so commonplace as not to form a substantial part of a work.” It follows that although a legal document is a proper subject matter of copyright, commonplace legal clauses may not be protected under copyright law under the principle enunciated in *Designers Guild*.

The third approach is based on the principle of *de minimis non curat lex*. In *Frederick B Chatterton and Benjamin Webster v Joseph Arnold Cave*, the House of Lords had the opinion that “the principle of *de minimis non curat lex* applies to a supposed wrong in taking a part of dramatic works, as well as in reproducing a part of a book”. In other words, if the infringement is of little harm and not substantial, the court would not grant a remedy. This same principle was also applied in *Trade Auxiliary Company v Middlesborough and District Tradesmen’s Protection Association*.

In conclusion, the position of the copyrightability status of short sentences or phrases is less clear now in English law. Older authorities appear to take the position there is no copyright in short sentences while the newer approach following *Meltwater* may differ. Also, as the length of the legal clauses that have been taken increases, copyright protection will kick in at some point or another.

2.2 United States

In the United States, copyright is governed by the Copyright Act of 1976. According to §105, copyright protection “is not available to any work of the United States Government”. In contrast to the approach of the United Kingdom, the effect of §105 is that all legislation passed by the federal government in the United States are not subject to copyright protection and thus are in the public domain. The philosophical rationale is that “[t]he citizens are authors of the law, and therefore its owners, regardless of who actually drafts the provisions, because the law derives its authority from the consent of the public, expressed through the democratic process” (*Building Officials and Code Administration v Code Technology, Inc*).

There was a long-standing tradition in the United States that judicial opinions and legislation were not subject to copyright protection. In *Banks v Manchester*, the United States Supreme Court held that judgments of courts are not copyrightable. *Veck v Southern Building Code Congress International, Inc*, extended that principle to cover legislation passed by local government. In *Veck*, the US Court of Appeals for the Fifth Circuit held that a building code that was drafted earlier by a private entity but adopted as part of the local building code of two towns is not protected by copyright law.

Doctrinal support for not protecting legislation include the merger doctrine. According to this doctrine, “if an idea is susceptible to only one form of expression, the merger doctrine applies and §102(b) excludes the expression from the Copyright Act” (*Veck v Southern Building Code Congress International, Inc*). Since statutory language has to be precise and phrases have to be expressed exactly as passed by the relevant legislature, copyright protection for legislation may be exempted under the merger doctrine.

Another approach is to examine whether legal clauses may fall within the fair use exception in copyright law. In a recent US Supreme Court decision in *Google LLC v Oracle America, Inc*, the fair use defence was held to apply to Google’s copying of some parts of the ‘declaring codes’ from the Java programming language API (Application Programming Interface), the copyright of which is owned by Oracle America, when developing their own Java-compatible Android system. The Supreme Court held that:

“Google’s basic objective was not simply to make the Java programming language usable on its Android systems. It was to permit programmers to make use of their knowledge and experience using the Sun Java API when they wrote new programs for smartphones with the Android platform. In principle, Google might have created its own, different system of declaring code. But the jury could have found that its doing so would not have achieved that basic objective. In a sense, the declaring code was the key that it needed to unlock the programmers’ creative energies. And it needed those energies to create and to improve its own innovative Android systems.” (*Google v Oracle America*).

In summary, the US Supreme Court recognised that the declaring code of an API falls within a fair use exception.

It is conceivable that a similar fair use reasoning may be applied to time-tested legal phrases and legal clauses. A drafter is at liberty to creatively draft a legal document without copying these clauses, but doing so risk having the legal document being interpreted not the way the author intended, or worse, being declared void on the ground of ambiguity. Therefore, for the social benefit of standardisation, a fair use argument may be raised that legal clauses should be exempted from copyright protection.

2.3 Malaysia

Malaysia follows the English common law tradition and adopts case laws from the United Kingdom in interpreting its Copyright Act. Section 2 of the Copyright Act 1987 excludes from the definition of ‘literary works’, “official texts of the Government or statutory bodies of a legislative or regulatory nature, or judicial decisions ...”. Furthermore, section 13(2)(1) excludes “any use of a work for the purposes of any judicial proceedings, the proceedings of a royal commission, a legislative body, statutory or Governmental inquiry, or of any report of any such proceedings, or for the purpose of the giving of professional advice by a legal practitioner” from the exclusive right of a copyright owner. Under the exclusion in section 2 and unlike the case in the United Kingdom, the government of Malaysia could not claim ownership over legislation passed by the

relevant legislative bodies. This position is similar to that of the United States, but the language of this exception is wider and clearer than the exception in 17 USC §105, which covers only United States' federal legislation.

It is not clear however whether reusing legal clauses from a copyrighted source falls under the exception in section 13(2)(l) under the phrase "giving of professional advice". It can be argued that drafting legal documents is not the same as giving professional advice, and thus re-using legal phrases in legal documents does not fall within this exception. In *Public Performance Malaysia Sdn Bhd & Anor v PRISM Bhd*, the High Court of Malaya accepted that the defendant has infringed the plaintiff's copyright in a licensing document when the former copied and used almost the whole of the latter's document. The court accepted that a licensing document is an original literary work. The issue of an exception under section 13(2)(l) was not raised in that case and does not appear to be relevant.

Legal doctrines in UK copyright law apply equally in Malaysia. Therefore, doctrines as discussed above can also be used in Malaysia. As in the United Kingdom, lawyers routinely re-use precedences for legal documents while drafting and employ well-crafted legal clauses in their practice. With the authority from *Public Performance Malaysia Sdn Bhd & Anor v PRISM Bhd*, lawyers should now be more careful in copying from precedences, especially the copying if more than a few lines and can be considered substantial.

An amendment to the Copyright Act in 2012 can be interpreted as transplanting the American fair use doctrine to Malaysian copyright law (Khong, 2021). Although technically, the exception in section 13(2)(a) is still known as 'fair dealing', it is no longer the same limited 'fair dealing' before 2012. The nifty addition of the word 'including' preceding the list of acceptable purposes for this exception, makes the list illustrative instead of definitive. Furthermore, the four conditions for fair use in the US copyright statute are reproduced *mutatis mutandis* as a new subsection. Therefore, it can be argued that the logic in *Google LLC v Oracle America, Inc* may be referred to in interpreting the new 'fair use' provision in Malaysian copyright law.

2.4 Summary of legal positions

Notwithstanding the differences in the legislative approaches in the three countries studied above, the general conclusion is that copyright law does not protect legislation, or at least the government opts not to enforce it, as in the case of the United Kingdom. This is especially apparent in the case of the United States and Malaysia, where copyright law explicitly excludes protection for legislation. In addition to legislation, re-using of legal clauses in non-legislative drafting is likely to be not infringing copyright law under the *de minimis* rule, merger doctrine, fair use or fair dealing exception, or the principle that short phrases are not literary works. On the other hand, as illustrated in the Malaysian decision of *Public Performance Malaysia Sdn Bhd & Anor v PRISM Bhd*, the wholesale copying of a substantial part of a legal document may still amount to copyright infringement.

3. Efficiency consideration

More than half a century ago, Arrow (1962) has already identified an economic rationale for intellectual property rights. Since, words, phrases, writings and literary works are all informational in nature, the analysis by Arrow is relevant. He notes:

“The cost of transmitting a given body of information is frequently very low. If it were zero, then optimal allocation would obviously call for unlimited distribution of the information without cost. ...

In the absence of special legal protection, the owner cannot, however, simply sell information on the open market. Any one purchaser can destroy the monopoly, since he can reproduce the information at little or no cost. Thus the only effective monopoly would be the use of the information by the original possessor. This, however, will not only be socially inefficient, but also may not be of much use to the owner of the information either, since he may not be able to exploit it as effectively as others.”

The analysis by Arrow (1962) shows that the first-best efficient solution for the use of information is for it to be free to use and free to distribute. However, such free use and free distribution inevitably lead to a sub-optimal incentive and investment problem. Therefore, the intellectual property law solution is to grant an exclusive right to the creator of information to extract a profit through selling copies of his work or charging a license royalty (Khong, 2019). Infringement of such exclusive right is then enforced by civil action, or in some cases, criminal prosecution. As such, intellectual property rights is only a second-best solution for the use and dissemination of information.

Notwithstanding this, the use of an intellectual property right is not absolute. There might be economic considerations for not enforcing such a right. In the discussion below, we will look at a few possible exceptions to property rights.

3.1 The public goods problem resolved

Propertisation through intellectual property rights, as a second-best solution, is only necessary to solve the incentive and investment problem associated with the production of public goods. According to the theory of public goods, the two characteristics of public goods are non-rivalry in consumption and non-excludability (McNutt, 1999). The non-rivalry in consumption characteristic is a good characteristic because it means that the public goods can be consumed by an infinite number of consumers without a decrease in quantity and quality. Information is an example of a good with a non-rivalry in consumption characteristic because once information is released to the public, it does not decrease in quantity and quality regardless of the number of consumers of that information.

The second characteristic, non-excludability, is a bad characteristic. Once a public good is made available to the public, it is extremely difficult, if not impossible, to exclude non-payers from consuming or enjoying the benefit of the public good. This enjoying without paying is known as the free-riding problem. The traditional solution to the free-riding problem is to exert a non-voluntary payment such as taxation, to fund the provision of public goods. The typical textbook example of such a public good provided through taxation is national defence (McNutt, 1999), whereby the safety from attacks by hostile enemies is enjoyed by everyone in the protected population.

It can be seen that the drafting of laws by the executive and the passing of laws by the legislature are activities typically funded by the taxpayers. Similarly, the administration of the courts is also financed through public funding. That means the free-riding problem is resolved through taxation. Hence, the socially optimal use of information derived from such processes, such as legislative bills, legislation and court decisions, should be “unlimited distribution of the information without cost” (Arrow, 1962).

The treatment of copyright law to legislation and court decisions, as discussed above, tends to be in line with the conclusion above. The solution of public funding can encourage optimal use and distribution of legislation and court judgments through a free use and distribution policy. Notwithstanding this, the public funding argument does not seem to apply to legal clauses drafted by experienced lawyers, but not yet incorporated into legislation or tested in the courts. Thus, an alternative argument for the non-protection of such clauses needs to be sought.

3.2 Transaction cost

Copyright of information entails the exclusive right to the copyright owner to make copies, presumably for sale, of his work, or to grant a licence, upon payment of royalties, to do certain actions under the exclusive purview of the copyright owner. Unlike the sale of a copy, licensing means that the potential user of a copyrighted work will need to seek out the copyright owner or his representative to negotiate and enter into a licensing agreement. The transaction cost of licensing is not insignificant. Thus, when the transaction cost of licensing is higher than the benefit of using a copyrighted work, then proprietisation will lead to a 'market failure', where private bargaining is not a solution to optimal use of an intellectual property (Gordon, 1982, 2002).

As a reason to invoke the fair use doctrine in American copyright law, Gordon (2002) suggests two different categories of cases: excuses and justifications. A justification for fair use occurs when for policy reasons, we do not want a user to bother with asking for a licence from a copyright owner, even if the copyright owner may wish to grant such a licence, and the user is willing to pay for it. An example of a justification is when the fair use doctrine is applied on free speech situations, e.g. criticism of the copyright owner's work. Since it is uncertain that, under such situations, whether all copyright owners are willing to grant a licence for strategic reasons, the law intervenes by dispensing the need for a license.

An excuse to invoke the fair use doctrine, on the other hand, is largely based on a transaction cost reason. But for high transaction costs, the use of copyrighted work should be left to the market and private bargaining. Hence when the transaction cost of licensing can be lowered through institutional or technological change, the fair use doctrine should cease to apply. Gordon suggests that the use of the fair use doctrine to allow private recording of television programmes on video cassette tapes for time-shifting purposes, in the *Sony Corporation of America v Universal City Studios, Inc*, can be explained as a fair use excuse. In the same way, the *Google LLC v Oracle America, Inc* decision can be rationalised as an excuse.

To determine whether a copyright exception is invoked because of an excuse or a justification, we can ask the hypothetical question of "If licensing costs were zero, would the copyright owner still strategically refuse to license his work to a user?" If the answer is yes, then those situations would be good candidates for an exception with a justification.

Well-crafted legal clauses are very useful and valuable to the legal profession as a whole, and legislature worldwide. If a person is granted an exclusive right over some legal clauses, he may strategically refuse to license his copyright to a competing lawyer, so that the latter has to use less elegant clauses in place of the protected clauses. For this reason, a copyright exception should be raised on what Gordon calls a justification.

Similarly, non-protection of the legal clauses in the law can be explained by a justification as without the ability to quote in verbatim the wording of the law, citizens would not be able to communicate effectively with others with regards to the rights and obligations conferred by the law. Non-protection of legal clauses may also be explained as an excuse. If each enforceable clause is owned by a party, the licensing cost of drafting a legal document containing protection clauses

will be very high. This in turn will increase the barrier to access to justice and raise the cost of using the legal system.

3.3 Divergence versus convergence

Lord Hoffmann quipped in *Designers Guild Ltd v Russell Williams (Textiles) Ltd*, that “[c]opyright law protects foxes better than hedgehogs.” This is an allusion to an ancient Greek phrase by poet Archilochus: “the fox knows many little things, but the hedgehog knows one big thing.” Arden LJ in *L Woolley Jewellers Ltd v A & A Jewellery Ltd* tried to explain what Lord Hoffmann could have meant:

“... the fragment may also be taken figuratively as contrasting those with a single central vision and organising principle as against those who pursue many ends, often unrelated or contradictory. It was, the Author [Arden LJ] thinks, in the figurative sense that Lord Hoffmann was using his metaphor.”

An alternative interpretation of Lord Hoffmann’s metaphor is possible. If by foxes, we mean ‘many ways’, and by hedgehogs, we mean ‘one way’, then the phrase would translate into “copyright law protects expressions which can be made in many ways better than expressions which can only be made in one way.” Incidentally, this principle is nicely captured by the American merger doctrine, which can be explained as having an anti-monopolisation function (Samuelson, 2016). Under the merger doctrine, when an idea can only be expressed in one or a limited number of ways, the doctrine considers those expressions as not capable of being protected by copyright.

Another way of looking at the foxes versus hedgehogs distinction is to say that copyright promotes divergence of expressions, and when expressions could not diverge then copyright will not protect them. Given that society is best served by using the most suitably crafted legal clauses instead of competition towards fanciful and fantastic language, legal clauses should undergo some form of linguistic evolution in the form of ‘survival of the fittest’, where judges and the legal profession select the best clauses and discard the worst.

Since good legal clauses tend to converge to a standard as a result of this linguistic evolutionary selection, there should be no intellectual property rights protection to prevent monopolisation of the legal language.

3.4 Network externalities

The value of a language can be analysed using the concept of network externalities (Dalmazzone, 1999). As the number of users of a language increases, the higher the value of knowing that particular language. This phenomenon also applies to legal clauses. As legal clauses become more well-known and commonly used, the more valuable they become to the legal profession.

Network externalities may yield both positive and negative effects. The positive effect of network externalities is easy to understand. As legal clauses become widely and commonly known and used, the value of consistency and certainty of the meaning of those clauses increases. Therefore, instead of choosing some other similar clauses, using well-known clauses will provide more certainty of meaning to those usages. To a certain extent, this positive effect reinforces itself such that it becomes crucial to employ well-known legal clauses to minimise errors and misunderstandings in legal drafting.

The economic literature recognises that inefficiency may result from network externalities when an inferior standard dominates over a superior standard due to the former's network externalities. A clear example is the Qwerty keyboard where one of the original reasons for such an arrangement is to prevent typewriter keys from being stuck together when typing too fast, but due to its early dominance of the Qwerty keyboard, a better alternative keyboard arrangement could not take hold (David, 1985; Liebowitz and Margolis, 1990). This is particularly clear in this age of soft keyboards on touch screens, where there is no good reason for the persistence of the Qwerty standard apart from it being prevalent since the time of typewriters and computer keyboards.

The same thing may also happen to legal language, where archaic legal clauses persist notwithstanding the best efforts to modernise and simplify legal language (Sobota, 2014). One of the reasons is that once a legal clause is commonly and widely used, lawyers will have a shared understanding as to its intended meaning, even though the passage of time might place it in the more obscure sections of the dictionary.

On technology adoption, the risk of lock-in due to network externalities has been recognised as a possible justification for limiting intellectual property rights (Farrell, 1989). In particular, anti-competitive behaviour may arise from intellectual property rights owners against new competitors. By the same analogy, the risk of anti-competitive behaviour from monopolisation of legal language, which we show is susceptible to network externalities, means that limited or even dispensing with intellectual property protection may be the socially ideal arrangement.

4. Conclusion

This paper examines the peculiar case of non-existence or non-enforcement of intellectual property rights in legal clauses, notwithstanding that *prima facie* well-written legal clauses are very useful to the legal profession and society as a whole. Several economic justifications such as efficiency consideration, public goods, transaction cost, standardisation and network externalities may explain the above peculiar phenomenon.

One lesson that may be learned from this exercise is that propertisation and ownership may not necessarily be the best solution to the use of resources, particularly if they exhibit public goods characteristics. There may be good reasons why valuable resources such as well-crafted legal clauses remain unprotected as intellectual property so that they may be used for social good.

As has been indicated in the Introduction section above, this paper limits its examination to the laws in the United Kingdom, United States and Malaysia. Further investigations can be made on whether the same legal positions are found in other non-common law jurisdictions and whether the same economic arguments apply.

Acknowledgement

An earlier version of this paper has been presented at the 13th Annual Asian Law and Economics Association (AsLEA) Conference at the University of Economics, Ho Chi Minh City, on 22 June 2017. Kind comments from the participants of the AsLEA conference are acknowledged. Thanks also to the reviewers of this paper for their kind comments and suggestions.

REFERENCES

- Arrow, K. J. (1962). Economic welfare and allocation of resources for inventions. In C. on E. G. of the S. S. R. C. Universities-National Bureau Committee for Economic Research (Ed.), *The rate and direction of inventive activity: Economic and social factors* (pp. 609–626). Princeton University Press. <http://www.nber.org/books/univ62-1>
- Dalmazzone, S. (1999). Economics of language: A network externalities approach. In A. Breton (Ed.), *Exploring the economics of language* (pp. 63–87). Ottawa: Department of Public Works and Government Services Canada.
- David, P. A. (1985). Clio and the Economics of QWERTY. *American Economic Review*, 75(2), 332–337.
- Dobinson, I., & Johns, F. (2007). Qualitative legal research. In M. McConville & W. H. Chui (Eds.), *Research Methods for Law* (pp. 16–45). Edinburgh University Press.
- Farrell, J. (1989). Standardization and Intellectual Property. *Jurimetrics*, 30(1), 35–50.
- Fedtko, J. (2006). Legal transplants. In Elgar Encyclopedia of Comparative Law (pp. 434–437). Edward Elgar.
- Gordon, W. J. (1982). Fair use as market failure: A structural and economic analysis of the Betamax case and its predecessors. *Columbia Law Review*, 82, 1600–1657.
- Gordon, W. J. (2002). Excuse and justification in the law of fair use: Transaction costs have always been part of the story. *Journal of Copyright Society of the USA*, 50, 149–198.
- Khong, D. W. K. (2019). Intellectual property: Economic justification. In A. Marciano & G. B. Ramello (Eds.), *Encyclopedia of Law and Economics* (pp. 1178–1185). Springer New York.
- Khong, D. W. K. (2021). Copyright exceptions for the digital age: A comparative study in Malaysia and the Philippines. In R. Casis & A. Buban (Eds.), *Asian Comparative Law, Volume 1* (pp. 100–114). University of the Philippines Law Center.
- Liebowitz, S. J., & Margolis, S. E. (1990). The fable of the keys. *Journal of Law and Economics*, 33(1), 1–25.
- McNutt, P. (1999). Public goods and club goods. *Encyclopedia of Law and Economics*, 1, 927–951.
- Samuelson, P. (2016). Reconceptualizing copyright's merger doctrine. *Journal of the Copyright Society of the USA*, 63(3), 416–470.
- Sobota, A. (2014). The plain language movement and modern legal drafting. *Comparative Legilinguistics*, 20(2), 19–30.
- The National Archives. (2016). UK government licensing framework for public sector information. <http://www.nationalarchives.gov.uk/documents/information-management/uk-government-licensing-framework.pdf>

Court Judgments

- Banks v Manchester*, 128 U.S. 244 (1988)
- Building Officials and Code Administration v Code Technology, Inc*, 628 F.2d 730, 734 (1st Cir 1980)
- Designers Guild Ltd v Russell Williams (Textiles) Ltd* [2000] WLR 2416, 2423 (HL)
- Exxon Corporation v Exxon Insurance Consultants International Ltd* [1982] Ch 119 (CA)
- Francis Day and Hunter, Ltd v Twentieth Century Fox Corporation, Ltd* [1940] AC 112 (PC)
- Frederick B Chatterton and Benjamin Webster v Joseph Arnold Cave* (1878) 3 App Cas 483 (HL)
- Google LLC v Oracle America, Inc*, 593 US ___ (2021), 141 S. Ct. 1183 (2021)
- L Woolley Jewellers Ltd v A & A Jewellery Ltd* [2002] EWCA Civ 1119 (CA)
- Public Performance Malaysia Sdn Bhd & Anor v PRISM Bhd* [2016] 1 CLJ 687 (HC)
- Sony Corporation of America v Universal City Studios, Inc*, 464 US 417 (1984)
- The Newspaper Licensing Agency Ltd v Meltwater Holding BV* [2012] RPC 1 (CA)
- Trade Auxiliary Company v Middlesborough and District Tradesmen's Protection Association* (1888) 40 Ch D 425 (CA)
- Veeck v Southern Building Code Congress International, Inc*, 293 F.3d 791 (5th Cir 2002)

Issues and Perspectives in Business and Social Sciences

The influence of employee participation, rewards and recognition, job security, and performance feedback on employee engagement

Quay Chee Chin¹, Afandi Yusof^{2*}

¹Human Resources, Top Glove Corporation Berhad, Malaysia; ²Faculty of Business, Multimedia University, Malaysia;

*correspondence: afandi.yusof@mmu.edu.my

Abstract

The fundamental goal of this research was to develop a model of employee engagement from the perspective of private sector employees in Melaka, Malaysia, which can be added to the body of knowledge. It was carried out to determine the relationships between employee participation, job security, performance feedback, as well as rewards and recognition on employee engagement. This study found that all tested variables are positively related to employee engagement. Based on the findings, it is recommended that the private sector should prioritise efforts that enhance employee participation, provide robust career package and constant feedback. Employees' contributions also need to be adequately recognised at all levels to ensure organisations are able to enhance its performance.

Keywords:

Employee engagement;
Employee participation;
Job security;
Rewards and recognition;
Performance feedback

Received June, 2021

Accepted Dec, 2021

Published Jan, 2022

1. Introduction

When employees are favourably occupied in their work or tasks, they are said to be engaged. It has also been claimed that employee engagement is the harnessing of employees on their work tasks in engaging and expressing themselves physically, emotionally, and intellectually throughout their involvement in their job obligations (Saks, 2006). Disengagement, on the other hand, is where employees are not performing effectively and are not putting their all in their tasks, resulting in incomplete assignments, failure in meeting deadlines, or the finished job having no value. Employees tend to draw a line for themselves or a boundary, on the responsibilities that they are capable of doing and to stay inside those bounds (Kahn, 1990). In an early research, employee engagement was entirely focused on the employees with their job scope or features and health, which was commonly regarded as one of the most essential aspects of work engagement (Quiñones et al., 2013). Employee engagement has been found to gradually decrease, and the vast majority of employees, around half of the company's workforce, are not completely engaged or disengaged, resulting in a phrase known as an engagement gap – costing productivity loss by nearly USD 300 billion a year (Saks, 2006).

Employee engagement has emerged as a critical component of improving job performance and organisational excellence. Employee engagement methods are widely recognised as an important component of high-commitment human resource strategies (Cox et al., 2009). However, attaining the greatest and most successful employee engagement initiatives remains a difficult undertaking for most organisations. Saks (2017) has suggested a stage-based process of employee engagement to develop a sound engagement strategy and overcome the engagement barriers. Employee engagement is such an important issue that it touches practically every branch and component of human resource management, where poor approach and mishandling can lead to

employee disengagement, which can lead to mismanagement (Markos and Sandhya, 2010). According to a prior study, a 5% increase in employee engagement activities resulted in a 3% rise in corporate income. Disengaged employees, on the contrary, make minimal contributions to the workplace and, as a result, negatively influence the organisations (Aon Hewitt, 2017).

Many human resource experts have avoided the task of defining employee engagement as a phrase that may be assumed to have a good outcome. According to Haynie et al. (2019), employee engagement is commonly assumed as a distinct idea or only a term to be used in conjunction with other concepts. It shows that past researchers only consider employee engagement as a sub-tool in assessing various possible variables in their research. According to other studies, employee engagement is defined as devotion, which refers to employees being totally focused and giving their all in engaging and in completing or performing the work that was given or assigned to them (Bakker and Demerouti, 2008). Engaged employees tend to be engrossed in their job or assignment, causing them to lose track of time. By the time they are completely aware of the time, it will be time for them to collect their belongings and return home (Bakker and Demerouti, 2008). Engaged employees are usually perceived or labelled as workaholics by other co-workers, but it is simply because these engaged employees are too immersed in their job to notice the time or their surroundings at times. Employees that are active and passionate about their jobs would frequently occupy themselves in a large amount of work without experiencing fatigue, preferring to enjoy their work and give it their all (Bakker and Demerouti, 2008). In this study, the influence of four factors on employee engagement was examined. The four factors are employee participation, job security, performance feedback, and rewards and recognition.

2. Social exchange theory

Social exchange theory (SET) explains, from a psychological perspective, that employees will be interested and motivated if they are treated properly and equitably (Blau, 1964). According to SET, social interaction occurs as a result of similarities between people or between people and their environments. Hypothetically, employee productivity, and consequently work performance, can be enhanced through better human interactions, specifically between employees and superiors within the organisation. Employees tend to form high-quality relationships depending on who they connect with, how they connect with them, and how well they perceive the contact inside the business (Blau, 1964; Cropanzano and Mitchell, 2005). Employees who have the freedom to express their creativity and innovation via responsibility and authority usually felt empowered (Bellingham, 2003), while open communication to define goals and objectives may also generate higher levels of employee engagement (Albrecht et al., 2015).

Individuals in an organisation are engaged in the quest of future benefits through the sharing of information, expertise, talents, and many other things. When an employee is treated properly by their supervisors, they tend to view the relationship as a social transaction rather than an economic one (Blau, 1964). When an employee adopts a social exchange mindset, they tend to put out more effort in their work and generate better results (Brown et al., 2005) and willing to become more engaged in their work (Albrecht et al., 2015). Moreover, employees tend to be more inclined to consider themselves high in terms of social interchange with their superiors whenever their work experience is infused with ethics and trust. Harmonious interactions between employees and superiors therefore exists when employees increase their engagement as a reciprocal response to what they received from the organisation. We hypothesised that employee engagement is determined by employee participation, job security, performance feedback, as well as rewards and recognition. The following subsections explain how these factors influence employee engagement.

2.1 Employee participation

Employee participation is the opportunity for employees to participate in an organisation's decision-making process (Heery and Noon, 2017). It is defined as a mixture of decision-making participation, in which employees may provide input into job-related choices, and financial participation practices, which refer to remuneration based on group or individual performance (Park, 2015). Employee involvement may apply to choices involving a variety of concerns, such as organisational concerns and work-related difficulties. Work-related concerns include arranging work tasks, working time, and completing work activities, whereas organisational difficulties pertain to choices on organisational strategy or financial considerations (Prouska et al., 2019).

When employees are offered opportunities to participate in decision-making or financial results, they tend to take these organisational efforts as evidence of the organisation's commitment to them (Eisenberger et al., 2002; Rhoades et al., 2001). Furthermore, employees tend to enhance their devotion towards work when their participation in decision-making activities that impact the nature of their job is well valued by the management (Northouse, 2004). Participation in decision-making may also lead to improved labour-management relations, higher-quality decisions, stronger employee loyalty to organisations, and increased productivity (Kearney, 2003). Nonetheless, higher levels of employee engagement in decision making are associated with reduced employee turnover, better levels of organisational loyalty, and greater staff productivity rates (Cotton et al., 1988; Kahnweiler and Thompson, 2000; Kearney, 2003). Employee morale is boosted when they are recognised for their contributions to decision-making, which also implied that they are competent, intelligent, and valued collaborators. This leads to increased employee satisfaction and, as a result, increased productivity (Cotton et al., 1988) – which are evidences of employee engagement. Based on the above discussion, this study hypothesised:

H1: There is a significant influence of employee participation on employee engagement.

2.2 Job security

Job security has also been found to be an important factor influencing an employee's level of engagement. Job security refers to the extent to which a person obtains a stable employment opportunity from their organisation (Herzberg, 1987). Job security is an indication of the expectations of continuity in the present job (Davy et al., 1997). Meltz (1989) stated that employment security is defined as continuous employment with the same business with no decline in salary, pension rights, seniority, and a variety of other benefits.

Employees in Japan are highly committed because they have a strong feeling of work security, which is connected to Japanese work arrangements such as seniority system and lifelong employment (Abegglen, 1958). According to a study, employees who are pleased with their job security are more devoted to their organisations and perform better at work (Yousef, 1997). Similarly, Bhuian and Islam (1996) concluded that work security satisfaction is highly connected with continued commitment among expatriate employees in Saudi Arabia. Schein (1996) argued that individuals must have a match between what they anticipate from the organisation and what they owe the organisation in order to develop dedication, loyalty, and passion for their organisation and its aims, as well as to gain satisfaction from their job. Money in exchange for time at work, social-need satisfaction and security in exchange for work and loyalty, opportunities for self-actualisation and challenging work in exchange for high productivity, quality work, and creative effort in service of organisational goals, or various combinations of these. Based on the above discussion, this study hypothesised:

H2: There is a significant influence of job security on employee engagement.

2.3 Performance feedback

Another key facet that drives an employee's engagement to contribute and achieve more on job and personal growth is performance feedback. Performance feedback is the extent to which an employee may acquire useful information about their performance that might help them improve and boost their job contribution (Xie et al., 2016). Performance feedback has been found to increase job satisfaction and motivation (Hackman, 1980), and is critical in many organisational activities, including work satisfaction, motivation, career growth, and performance management (McCarthy and Garavan, 2005).

Three separate forms of feedback can be used to evaluate an employee's performance. The first form is feedback from individuals who have witnessed the employee's behaviour and are thus qualified to offer feedback, such as the superior, subordinates, colleagues, and customers. The second form of feedback relates to the job environment, for example, while monitoring tasks, it is often obvious when the employee is not on target. The employees themselves, who may be able to judge their own performance, are the third source of feedback (Ilgen et al., 1979). Supervisory input, on the other hand, may not contribute as much and may be viewed as less effective in affecting engagement under settings of high perceived autonomy, because more autonomy implies that individuals have more internal discretion over how to complete tasks. That is, they are less reliant on and influenced by supervisory feedback than they would be under low perceived autonomy situations. As a result, the benefits of supervisory input on engagement are likely to be restricted at high levels of perceived autonomy (Menguc et al., 2013). Based on the above discussion, this study hypothesised:

H3: There is a significant influence of performance feedback on employee engagement.

2.4 Rewards and recognition

Rewards and recognition programmes of the organisation are important instruments for recognising and inspiring employees to achieve organisational goals (Aktar and Pangil, 2018), and are among the significant precursors of employee engagement (Saks, 2006). A rewarded employee regards his or her work output as valuable to the organisation, resulting in a sense of recognition that inspires him or her to strive for higher job performance (Umesh et al., 2013). Employee engagement completely mediates the impacts of rewards and recognition on in-role and extra-role performance, according to the findings of a study done on 247 sales associates from 35 retail stores in North India (Alka et al., 2017).

One of the most effective methods to reward employees is through recognition (Armstrong, 2007). Previous research has revealed that incentive and recognition programmes have a substantial motivating influence on staff performance (Stajkovic et al., 2018). The level of employee engagement has been found to increase as a result of appreciation on the efforts contributed and work completed (Xanthopoulou et al., 2007). Rewards and recognition enable employees to link their success to the organisation's performance and such linkage has been found to significantly influence employee engagement (Dharmendra and Mehta, 2013). According to Schein (1996), employees tend to be loyal and devoted to their employers if there is a balance between their expectations and the rewards provided by the employers. The trade includes duties that are difficult, chances for organisational growth, high productivity, and payment. Based on the above discussion, this study hypothesised:

H4: Rewards and recognition has positive influence on employee engagement.

3. Methodology

Figure 1 illustrates the direct influence of the four independent variables on the dependent variable, which was examined using quantitative methods. For the purpose of data collection, a research questionnaire was developed. The questionnaire contains four sections: respondents' demographics such as age, sex, job position, salary, and work experience; and the measures of each independent and dependent variables. A statement of disclosure was included in the questionnaire as to ensure that respondents were of their free will to participate and at the same time maintained their anonymity. No personal information such as name, contact information and non-related credentials were collected. Convenience sampling method was used in this study as it requires less time and cost in obtaining data from the population. Invitation emails, with a link to the online survey, were sent to 260 employees in private sectors in Melaka, out of which, 142 have responded to the online survey.

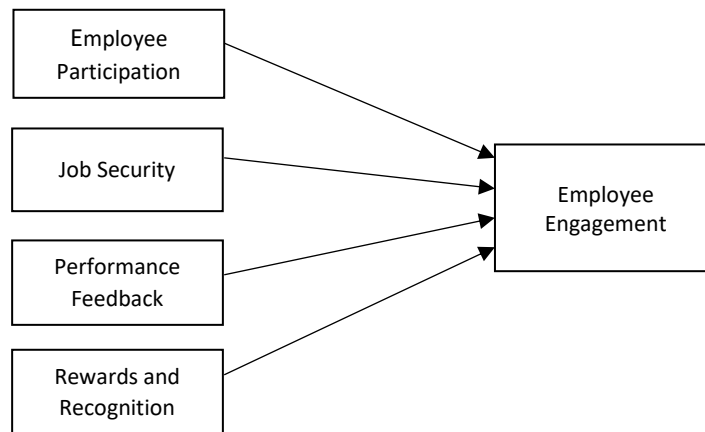


Figure 1: Research framework

Table 1 depicts the demographic details of the respondents. It illustrates that the majority of respondents were males, where it comprises 60 per cent of the total respondents. The data also reveal that about 80 per cent of the overall respondents were aged between 24 to 30 years old. The majority also have less than 3 year of work experience.

Table 1: Demographic data

Items	N	%
Sex		
Male	85	59.9
Female	57	40.1
Age		
24 years old and below	67	47.2
25 – 30 years old	49	34.5
31 – 35 years old	14	9.9
36 – 40 years old	7	4.9
41 – 45 years old	3	2.1
46 – 50 years old	1	0.7
51 years old and above	1	0.7
Education Level		
High School	7	4.9
Diploma	24	16.9
Bachelor’s Degree	97	68.3
Master’s Degree	12	8.5
Doctoral Degree	2	1.4
Working Experience		
Less than 1 year	67	47.2
1 – 2 years	40	28.2
3 – 5 years	17	12
6 – 10 years	13	19.2
More than 10 years	5	3.5

Table 2 shows the sources of the measures used and the internal reliability of each measurement. The Cronbach’s Alpha values range between 0.607 to 0.8878, indicating good internal consistencies of the data collected.

Table 2: Measurements

Variable	Authors	Items	Cronbach’s Alpha
Employee Participation	Aktar, <i>et al.</i> , (2018)	4	0.822
Job Security	Aktar, <i>et al.</i> , (2018)	4	0.845
Performance Feedback	Karasek’s (1985)	4	0.878
Reward and Recognition	Ali, <i>et al.</i> , (2018)	4	0.697
Employee Engagement	Saks (2006)	9	0.869

4. Data Analysis

Table 3 summarises the means and standard deviations of all tested variables. Each statement was rated by the respondents on a five-point Likert scale ranging from 1 “strongly disagree” to 5 “strongly agree”. The mean and standard deviation for employee engagement were computed as 4.3302 and 0.72685, respectively. Respondents rated performance feedback at the highest, with a mean of 4.5546, and a standard deviation of 0.91874. This is followed by job security (mean = 4.3732; standard deviation = 0.98470), employee participation (mean = 4.2025; standard deviation = 0.96523) and rewards and recognition (mean = 4.1109; standard deviation = 0.87697). Overall, the data were found to be normally distributed.

Table 3: Mean and standard deviation

Variables	Mean	Std. Deviation
Employee Participation	4.2025	0.96523
Job Security	4.3732	0.98470
Performance Feedback	4.5546	0.91874
Rewards and Recognition	4.1109	0.87697
Employee Engagement	4.3302	0.72685

A Pearson’s Correlation analysis was performed on the data to determine the relationships among them, illustrated in Table 4. Results show employee engagement is positively and moderately linked to all the independent variables, with job security showing the highest correlation with employee engagement ($r=0.708$), and rewards and recognition the lowest correlation ($r=0.638$).

Table 4: Correlation analysis

	Employee Engagement	Employee Participation	Job Security	Performance Feedback
Employee Engagement	1			
Employee Participation	0.670**	1		
Job Security	0.708**	0.748**	1	
Performance Feedback	0.660**	0.637**	0.686**	1
Rewards and Recognition	0.638**	0.643**	0.632**	0.603**

** Correlation is significant at the 0.01 level (2-tailed).

A multiple regression analysis was performed to determine the effects of the four independent variables on employee engagement. Table 5 summarises the results. Overall, the model was found to be significant with F value of 52.77 (sig. = 0.000). Results also show that 60.4 per cent of the variance in employee engagement is explained by the dependent variables ($R^2 = 0.604$). The Durbin-Watson coefficient is 1.946, which is near to 2, indicating that the residuals are associated.

Table 5: Multiple linear regression

Model	Unstandardised Coefficients		Standardised Coefficients	t	Sig.
	β	Std. Error	β		
(Constant)	1.323	0.217		6.104	0.000
Employee Participation	0.134	0.066	0.179	2.050	0.042
Job Security	0.217	0.067	0.294	3.247	0.001
Performance Feedback	0.176	0.062	0.223	2.831	0.005
Rewards and Recognition	0.168	0.063	0.203	2.687	0.008
R	0.777				
R^2	0.604				
Adjusted R^2	0.593				
df	4				
F	52.277				
Sig.	0.000				

* Dependent Variable: Employee Engagement

5. Discussion and conclusion

Overall, findings of this study show significant influence of the four independent variables (employee participation, job security, performance feedback, and rewards and recognition) on employee engagement. The associations between the variables are considerable, with standardised beta coefficient ranging between 0.179 to 0.295. The four independent variables are drivers of employee engagement and organisations need to find ways or device new techniques

to enhance the processes related to employee participation, job security, performance feedback, as well as rewards and recognition.

Findings of this study indicated that employees are driven by a solid belief in job security. Job security showed the highest impact on employee engagement ($\beta=0.294$), even higher than rewards and recognition. During uncertain times, employees are willing to work in less-than-ideal environment as long as job security exists. Job security can be achieved when there is assurance that the organisation is performing well, which could be evidenced from the organisation's financial performance. Thus, it is imperative that organisations share information on financial performance when there are indications of good performance and quickly provide assurance to the employees when there are signs of poor performance. Organisations need to respond quickly to any unfavourable changes to performance, as well as obtain feedback and recommendation from the employees.

The second influential factor is performance feedback ($\beta=0.223$). The significance of performance feedback is in terms of providing information that can enhance employees' confidence towards their actions and decisions. Positive performance feedback could also be linked to job security. An ethical manager tends to engage their employees through various aspects of communication methods as it will increase employees' creativity and innovation through feedback. Performance feedback also helps employees to identify their weaknesses, directs employees' actions towards organisational goals, and corrects unfavourable behaviours before such behaviours become damaging to the organisation. Thus, it is crucial for organisations to ensure constant feedback were provided to employees to increase their knowledge, skills and abilities, and at the same time allowing managers to provide high autonomy to their employees in executing their tasks.

It has been long accepted that rewards and recognition is a way to motivate the employees, as it is one of the strategies that could enhance employees' morale. The findings of this study have determined that rewards and motivation ($\beta=0.203$) is not that superior in determining employee engagement, compared to the other factors discussed in this study. However, it is essential for organisations to address rewards and recognition as it provides an opportunity to improve engagement among employees regardless of industries. Employees who are actively engaged in their work tend to constantly exchange information, knowledge and skills and it can be considered as a part of reward. In this context, the reward elements can be conceptualised as the knowledge that is being transferred, flourishing communication, and trust that are projected among members of the organisation.

The final influential factor analysed in this study is employee participation ($\beta=0.179$), which forms the fourth influential factor on employee engagement. The significance of employee participation in organisations is that it can be diverse, depending on different positions, assigned tasks and responsibilities. Thus, one of the ways that organisations may increase employee engagement is by involving employees in various levels of organisational activities. The intensity or frequency in which employees exert can be considered as significant to the overall performance of the organisation. By involving employees in various activities and decision-making, new ideas can be generated and employees' contributions that are adequately recognised can increase their appreciation towards the organisation, resulting in high engagement.

6. Limitations

The convenience sampling technique used in this study could have limited the generalisability of the findings. The survey invitation could have been circulated among friends, co-workers, and spouses, who may represent similar organisation or industry. This research study also employed quantitative methods in all measurements and assessments that are related to employee engagement thereby limiting the meaning placed on employee engagement. A qualitative design

study, however, has an equal chance of introducing new elements that may reaffirm or contradict the findings discussed herein.

Acknowledgement

The authors appreciate the support received from Multimedia University in the completion of this research paper.

REFERENCES

- Abegglen, J.C. (1958). *The Japanese Factory: Aspect of its Social Organization* (2nd Editio). Massachusetts Institute of Technology (Center for International Studies).
- Aktar, A., & Pangil, F. (2018). Mediating role of organizational commitment in the relationship between human resource management practices and employee engagement: Does black box stage exist? *International Journal of Sociology and Social Policy*, 38(7), 606–636.
- Albrecht, S. L., Bakker, A. B., Gruman, J. A., Macey, W. H., & Saks, A. M. (2015). Employee engagement, human resource management practices and competitive advantage. *Journal of Organizational Effectiveness: People and Performance*, 2(1), 7–35. <https://doi.org/10.1108/JOEPP-08-2014-0042>
- Alka, R., Piyali, G., Ragini, C., & Richa, S. (2017). Improving in-role and extra-role performances with rewards and recognition Does engagement mediate the process? *Management Research Review*, 41(8), 902–919. <https://doi.org/10.1108/MRR-12-2016-0280>
- Aon Hewitt. (2017). Trends in Global Employee Engagement: Global anxiety erodes employee engagement gains. In *Aon Hewitt Consulting*. <https://doi.org/10.1093/fampra/cms084>
- Armstrong, M. (2007). *Employee Reward Management and Practice* (2nd Editio). London and USA: Kogan Page.
- Bakker, A. B., & Demerouti, E. (2008). Towards a model of work engagement. *Career Development International*, 13(3), 209–223. <https://doi.org/10.1108/13620430810870476>
- Bellingham, R. (2003). *Ethical Leadership: Rebuilding Trust in Corporations* (2nd Editio; M. George, ed.). Retrieved from www.hrdpress.com
- Bhuiyan, S., & Islam, M. . (1996). Continuance commitment and extrinsic job satisfaction among a novel multiculture expatriate work force. *Mid-Atlantic Journal of Business*, 32(1), 35–46.
- Blau, P. M. (1964). *Exchange and power in social life* (1st Editio). Retrieved from <https://taylorandfrancis.com>
- Brown, M. E., Treviño, L. K., & Harrison, D. A. (2005). Ethical leadership: A social learning perspective for construct development and testing. *Organizational Behavior and Human Decision Processes*, 97(2), 117–134. <https://doi.org/10.1016/j.obhdp.2005.03.002>
- Cotton, J. L., Vollrath, D. A., Froggatt, K. L., Lengnick-Hall, M. L., & Jennings, K. R. (1988). Employee participation: Diverse forms and different outcomes. *Academy of Management Review*, 13(1), 8–22.
- Cox, A., Marchington, M., & Suter, J. (2009). Employee involvement and participation: Developing the concept of institutional embeddedness using WERS2004. *International Journal of Human Resource Management*, 20(10), 2150–2168. <https://doi.org/10.1080/09585190903178104>
- Cropanzano, R., & Mitchell, M. S. (2005). Social exchange theory: An interdisciplinary review. *Journal of Management*, 31(6), 874–900. <https://doi.org/10.1177/0149206305279602>
- Davy, J. A., Kinicki, A. J., & Scheck, C. L. (1997). A test of job security's direct and mediated effects on withdrawal cognitions. *Journal of Organizational Behavior*, 18(4), 323–349.
- Dharmendra, M., & Mehta, N. K. (2013). Employee engagement: A literature review. *Economia. Seria Management*, 16(2), 208–215.
- Eisenberger, R., Stinglhamber, F., Vandenberghe, C., Sucharski, I. L., & Rhoades, L. (2002). Perceived supervisor support: Contributions to perceived organizational support and employee retention. *Journal of Applied Psychology*, 87(3), 565–573. <https://doi.org/10.1037/0021-9010.87.3.565>

- Hackman, J. R. (1980). Work redesign and motivation. *Professional Psychology: Research and Practice, 11*(3), 445–455. <https://doi.org/10.1037/0735-7028.11.3.445>
- Haynie, J. J., Flynn, C. B., & Baur, J. E. (2019). The organizational justice-job engagement relationship: How social exchange and identity explain this effect. *Journal of Managerial Issues, 31*(1), 28–45.
- Heery, E., & Noon, M. (2017). *A Dictionary of Human Resource Management* (3rd Editio). <https://doi.org/10.1093/acref/9780191827822.001.0001>
- Herzberg, F. (1987). One more time: How do you motivate your employees. *Harvard Business Review, 6*(5), 76–86.
- Ilgel, D. R., Fisher, C. D., & Taylor, M. S. (1979). Consequences of individual feedback on behavior in organizations. *Journal of Applied Psychology, 64*(4), 349–371.
- Kahn, W. A. (1990). Psychological conditions of personal engagement and disengagement at work. *Academy of Management Journal, 33*(4), 692–724. <https://doi.org/10.2307/256287>
- Kahnweiler, W. M., & Thompson, M. A. (2000). Levels of desired, actual, and perceived control of employee involvement in decision making: An empirical investigation. *Journal of Business and Psychology, 14*(3), 407–427. <https://doi.org/10.1023/a:1022976132361>
- Kearney, R. C. (2003). The determinants of state employee compensation. *Review of Public Personnel Administration, 23*(4), 305–322. <https://doi.org/10.1177/0734371X03259279>
- Markos, S., & Sandhya, M. (2010). Employee engagement: The key to improving performance. *International Journal of Business and Management, 5*(12), 89–96. <https://doi.org/E-ISSN 1833-8119>
- McCarthy, A. M., & Garavan, T. N. (2005). 360° feedback process: performance, improvement and employee career development. *Journal of European Industrial Training, 25*(1), 5–32.
- Meltz, N. M. (1989). Job security in Canada. *Journal of Industrial Relations, 44*(1), 149–160.
- Menguc, B., Auh, S., Fisher, M., & Haddad, A. (2013). To be engaged or not to be engaged: The antecedents and consequences of service employee engagement. *Journal of Business Research, 66*(11), 2163–2170. <https://doi.org/10.1016/j.jbusres.2012.01.007>
- Northouse, P. G. (2004). *Leadership: Theory and Practice* (3rd Editio). Thousands Oaks, California: SAGE Publications Inc.
- Park, R. (2015). Employee participation and outcomes: Organizational strategy does matter. *Employee Relations, 37*(5), 604–622. <https://doi.org/10.1108/ER-09-2014-0107>
- Prouska, R., Avgoustaki, A., Psychogios, A., & Wilkinson, A. (2019). Employee participation and representation in central and eastern Europe. *Economic and Industrial Democracy, 23*(2), 1–23. <https://doi.org/10.1177/0143831X19887805>
- Quiñones, M., Broeck, A. Van Den, & Witte, H. De. (2013). Do job resources affect work engagement via psychological empowerment? A mediation analysis. *Journal of Work Organizational Psychology, 29*(3), 127–134. <https://doi.org/10.5093/tr2013a18>
- Rhoades, L., Eisenberger, R., & Armeli, S. (2001). Affective commitment to the organization: The contribution of perceived organizational support. *Journal of Applied Psychology, 86*(5), 825–836. <https://doi.org/10.1037/0021-9010.86.5.825>
- Saks, A. (2006). Antecedents and consequences of employee engagement. *Journal of Managerial Psychology, 21*(7), 600–619. <https://doi.org/10.1108/02683940610690169>
- Saks, A. M. (2017). Translating employee engagement research into practice. *Organizational Dynamics, 46*(2), 76–86. <https://doi.org/10.1016/j.orgdyn.2017.04.003>
- Schein, E. H. (1996). Organizational Learning : What is New? In *Organizational Psychology* (Vol. 2). Retrieved from <http://dspace.mit.edu/bitstream/handle/1721.1/2628/SWP-3912-35650568.pdf?sequence=1>
- Stajkovic, A. D., Bandura, A., Locke, E. A., Lee, D., & Sergent, K. (2018). Test of three conceptual models of influence of the big five personality traits and self-efficacy on academic performance: A meta-analytic path-analysis. *Personality and Individual Differences, 120*(February 2017), 238–245. <https://doi.org/10.1016/j.paid.2017.08.014>
- Umesh, B., Santosh, R., Peter, S., & Renu, R. (2013). Organizational climate and managerial effectiveness : An Indian perspective. *International Journal of Organizational Analysis, 21*(2), 198–218. <https://doi.org/10.1108/IJOA-09-2011-0514>

- Xanthopoulou, D., Bakker, A. B., Demerouti, E., & Schaufeli, W. B. (2007). The role of personal resources in the job demands-resources model. *International Journal of Stress Management, 14*(2), 121–141.
<https://doi.org/10.1037/1072-5245.14.2.121>
- Xie, B., Xia, M., Xin, X., & Zhou, W. (2016). Linking calling to work engagement and subjective career success: The perspective of career construction theory. *Journal of Vocational Behavior, 94*(4), 70–78.
<https://doi.org/10.1016/j.jvb.2016.02.011>
- Yousef, D. A. (1997). Satisfaction with job security as a predictor of organizational commitment and job performance in a. *International Journal of Manpower, 19*(3), 184–194.