



**Faculty of Technology Management and Technopreneurship**

**THE RELATIONSHIP BETWEEN EMPLOYER BRANDING  
AND TALENT MANAGEMENT IN MANUFACTURING  
FIRM: THE MEDIATING ROLE OF TRANSFORMATIONAL  
LEADERSHIP**

اونيورسي تيكنيكل مليسيا ملاك  
UNIVERSITI TEKNIKAL MALAYSIA MELAKA

**Hemananthiny a/p Selva Raja**

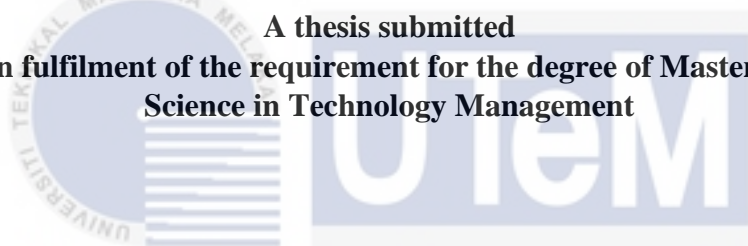
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MANAGEMENT IN MANUFACTURING FIRM: THE MEDIATING  
ROLE OF TRANSFORMATIONAL LEADERSHIP**

**HEMANANTHINY A/P SELVA RAJA**

**A thesis submitted  
in fulfilment of the requirement for the degree of Master of  
Science in Technology Management**



اونيورسيتي تيكنيكل مليسيا ملاك  
UNIVERSITI TEKNIKAL MALAYSIA MELAKA  
**Faculty of Technology Management and Technopreneurship**

**UNIVERSITI TEKNIKAL MALAYSIA MELAKA**

**2023**

## DECLARATION

I declare that this thesis entitled “The Relationship between Employer Branding and Talent Management in Manufacturing Firm: The Mediating Role of Transformational Leadership” is the result of my own research except as cited in the references. The thesis has not been accepted for any degree and is not concurrently submitted in candidature of any other degree.



Signature : *Hemananthiny* اونيومر سببي

Name : Hemananthiny d/o Selva Raja

Date : 06/10/2023

## APPROVAL

I hereby declare that I have read this thesis and in my opinion this thesis is sufficient in terms of scope and quality for the award of Master of Science in Technology Management.



Signature

Supervisor Name : Dr. Amir bin Aris

Date : 06/10/2023

## DEDICATION

This thesis is dedicated to my family who supported me spiritually and financially to encourage me in study and complete my thesis. Besides, to my beloved supervisor and lecturers who guide and assist me throughout the journey of research that has made this journey possible.



## **ABSTRACT**

Operating a business in a competitive environment has pushed companies to seek out the most effective strategies for improving their talented workforce. Many prior literatures have indicated that one of the most important parts that an organization's strategic plan should include is managing the best talent on the market. The challenge faced is to reduce the battle of red zone in talent management. At a time when companies are competing for talent, a company's employer branding can be incredibly influential in a candidate's consideration of working there. Therefore, it is important that organizations to implement strategies that can create leaders who can demonstrate the behaviors and be an example to their followers. This is important in building and retaining a strong talent pipeline. Thus, this study aims to investigate the relationship between employer branding and talent management and the mediating role of transformational leadership. A total of 113 middle level management employees were involved as respondents using purposive sampling. This research makes the questionnaire instrument the main research tool to collect information about the constructs involved. The findings of the study showed a positive relationship between economic, social, development, application, interest value's, work-life balance on talent management. In addition, the findings also show that role of transformational leadership is a mediator on the relationship between employer branding and talent management. It is believed that this research paper will benefit industry practitioners and academics for future reference.

**HUBUNGAN ANTARA PENJENAMAAN MAJIKAN DAN PENGURUSAN BAKAT  
DALAM FIRMA PEMBUATAN: PERANAN PENGANTARA KEPIMPINAN  
TRANSFORMASIONAL**

**ABSTRAK**

*Mengendalikan perniagaan dalam persekitaran yang kompetitif telah mendorong syarikat untuk mencari strategi yang paling berkesan untuk meningkatkan bakat tenaga kerja. Banyak literatur terdahulu telah menunjukkan bahawa salah satu bahagian terpenting yang perlu disertakan dalam pelan strategik organisasi ialah pengurusan bakat yang terbaik di pasaran. Cabaran yang dihadapi adalah untuk mengurangkan persaingan zon merah dalam pengurusan bakat. Pada masa syarikat bersaing untuk mendapatkan bakat, penjenamaan syarikat oleh majikan sangat mempengaruhi dalam pertimbangan calon untuk bekerja di sana. Oleh itu, adalah penting bagi organisasi untuk melaksanakan strategi-strategi bagi membentuk pemimpin yang mampu menunjukkan tingkah laku yang baik sebagai contoh kepada pengikut mereka. Ini adalah kritikal dalam membina dan mengekalkan saluran bakat yang kukuh. Justeru itu, kajian ini bertujuan untuk menyiasat hubungan antara penjenamaan majikan dan pengurusan bakat serta peranan pengantara kepemimpinan transformasi. Seramai 113 kakitangan pengurusan peringkat pertengahan telah terlibat sebagai responden menggunakan persampelan bertujuan. Penyelidikan ini menjadikan instrumen soal selidik sebagai alat kajian utama untuk mengumpul maklumat tentang konstruk yang terlibat. Dapatan kajian menunjukkan hubungan positif antara ekonomi, sosial, pembangunan, aplikasi, nilai minat, keseimbangan kerja-kehidupan terhadap pengurusan bakat. Tambahan juga, dapatan kajian menunjukkan bahawa peranan kepemimpinan transformasi adalah pengantara kepada hubungan antara penjenamaan majikan dan pengurusan bakat. Adalah dipercayai bahawa kajian penyelidikan ini akan memberi manfaat kepada pengamal industri dan ahli akademik untuk rujukan masa hadapan.*

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## LIST OF ABBREVIATIONS

EB	-	Employer Branding
TM	-	Talent Management
TL	-	Transformational Leadership
EV	-	Economic value
SV	-	Social value
DV	-	Development value
AV	-	Application value
IV	-	Interest value
WLB	-	Work-life Balance
SPSS	-	Statistical Package of Social Science
UTeM	-	University Technical MalaysiaMalacca



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## LIST OF PUBLICATION

### Indexed Journal

Raja, H., Aris, A. and Mohamad, N., 2021. The Relationship between Employer Branding and Talent Management: A Study on Manufacturing Sector. *Studies of Applied Economics*. Recent developments in Economics, Business and Management, Vol. 39 No. 10.



# CHAPTER 1

## INTRODUCTION

### 1.1 Introduction

Human resource forms an important competitive advantage for the firm (Debarun Chakraborty, 2020), and have an enormous impact on the contribution to achieve business results (Trivedi and Truss, 2019; Zinar, 2020). Undoubtedly, talent management in organization often the primary debate that reflect as strategic deployment among human resource management (Toterhi and Ronald J. Recardo, 2019). Past research studies conducted by talent management researchers have constructed theories that provide knowledge and awareness on talent related issues. However, most studies focus on talent in business context, especially on skills and abilities of individuals required for todays and future organizational purposes (Efendi, 2021; Horvathova, 2020).

To fill this gap, this study explored empirically the issue of 'turnover red-zone' in talent management in the private sector and other factors that influence it. The discussion inthis chapter covers the background of the study, problem statement, research question, objective of the study, scope of the study, limitations of the study, importance of the study, thesis organization and definition of concept and operation.

## 1.2 Background of Study

In this new digital and data-centric era, the way talent functions drive value to business is rapidly changing and has made the element of talent an important factor in the transformation process of a country (Yildiz and Soner Esme, 2021). With businesses requiring more differentiated experiences, talent management must be re-imagined delivering better business outcomes and value, thus ensuring all functions maximum out their productivity and collectively work together to help attract, grow, and retain the industry's best talent (Amber Grewal, 2020).

Talent is acknowledged as a crucial component of economic and business growth, competitiveness, and innovation on a global scale (Agarwal, 2019). Undoubtedly, Malaysia is not exempt in facing the process of transformation as a country. Researchers Hongal and Kinange (2020) demonstrated talent is acknowledged as the key enabler to drive Malaysia's economic transformation and support an economy that aspires to be productivity-driven, knowledge-intensive, and innovation-led. Since independence, Malaysia has undergone various processes in managing talent, that needs to ensure talent availability to support growth and economic transformation (Aman et al., 2018; Wójcik, 2021; Group, 2021). To address the long-term talent demands, a wide range of reforms are being implemented. Talent has now been recognized as a crucial enabler for the Government Transformation Programme (GTP) in conjunction with these initiatives by Aina and Atan (2020), and more immediate talent-related interventions are required to support the momentum of the Economic Transformation Programme (ETP), 10th Malaysian Plan (2011-2015), which will help Malaysia move toward the competitive status of a high-income economy and successfully realize a vision 2020.

The availability of top talent and a highly skilled workforce is crucial for the realization of private sector projects (Ananthan et al., 2019). In addition, the talent needed to drive the economic transformation agenda must have the skills and characteristics demanded by business. Accordingly, Malaysia's economic strategy of advancing up the value chain requires elite people (Ruchira, Perera and Sajeevanie, 2020). The measures and changes will also improve the talent pool, business climate, and livability. As per Deloitte Talent 2020, Malaysia must raise its position in the global talent indexes if it is to achieve its goals of improving the talent climate. Plus, it has to create a heightened profile in the transformation programme while expected to enhance their capacities and capabilities towards achieving higher competitiveness in both domestic and international markets (Jayaraman, Talib and Khan, 2018).

In the mid-1980s, significant development of manufacturing sector in Malaysia began after the country changed its focus from agricultural sector (Manufacturing in Malaysia, 2018). The waves of technological advancement from agriculture to electronic manufacturing have led to increased prosperity, productivity, and new jobs. The proactive role played by the Federation of Malaysian Manufactures (FMM) reported in year 2021, an umbrella organization of the manufacturing sector in providing critical feedback and inputsto the Government on policy as well as operational issues is particularly noteworthy. The government's initiatives and its 12MP plan including the National fourth Industrial Revolution (4IR) policy, which supports the manufacturing sector, will help create more jobsand talent demand in 2022 (Randstad, 2022).

In the context of this study, the researcher will conduct a study in Manufacturing Electric and Electronic (EandE) Industry. The manufacturing sector was primarily focused on the electrical and electronic (EandE) industry, which spawned the growth of other industries in supply, logistics and services (TalentCorp, 2022). There has been a global

surge in demand in the electronics manufacturing services (EMS) sector, particularly for semiconductors (Nadarajah, 2021). The growth of semiconductor will continue to spearhead the growth of the EandE industry in Malaysia and has benefited from the global demand in the usage. Research on talent management is important as this study is conducted less in EandE industries. This study is expected to elaborate on the importance and challenges of talent management in detail by making transformational leadership as mediating variables and employer branding as independent variables.

### **1.3 Problem Statement**

The value chain for Malaysia's EandE business has grown at a stratospheric rate (Woon, 2021). It began as a labor-intensive sector in the early 1970s and has since developed into a large hub for the global electronics industry, contributing significantly to the nation's manufacturing production, exports, and employment (Osman et al., 2020). The sector is one of 12 National Key Economic Areas (NKEA) charged in the government's Economic Transformation Programme with helping Malaysia become a knowledge-based, high-income economy by 2020 (MIDA, 2021).

Over the years of centuries, Lee and Toh Wei Liang (2021) demonstrated Semiconductor plants largely defined the EandE sector due to strong external demand (Jabatan Perangkaan Malaysia, 2018). Besides, several global corporations offer small businesses the chance to join their supply chain by expanding to become publicly traded companies or have gone global. This phenomenon boosts the nation's economy and assures the country of a promising future (Workday 2020; Lin, 2021). Moving to the employment part in EandE, the industry creates opportunities for hundred thousand of people in Malaysia (Ming, 2019). This industry is well positioned in Malaysia to offer the jobseekers in this fast-paced, technologically advanced environment with many reputable companies around the world. This is because they can look at the problem from different angles and

offer their new ideas or solutions toward the problem (Chen, Lee and Ahlstrom, 2021).

Presently, electric and electronic industry plays a key role by ensuring that the plans can generate high value-added activities and knowledge to meet demand for greater visibility into Malaysia's supply of talent (R. and Suresh, 2019). In line with this, Malaysia's EandE sector growth is expected to be robust in the coming years. This growth will require a steady supply of skilled talent, both in numbers and in the appropriate skills-sets, to meet the present and future needs of the sector (TalentCorp, 2023). However, the findings of the study points to several talent issues that will have an impact on the talent pool's ability to support the EandE sector which cause the function, role, and direction of industry in defending the fate of high turnover are seen to be increasingly challenging (Moshood, Nawanir et al., 2021). As the growth of the industry keeps on expanding throughout the years, the problem of high turnover has always been one of the factors face by the EandE in Malaysia.

Additionally, TalentCorp Malaysia (2021) examined the electric and electronic sector also faces a situation of skills gaps, where adequately trained and skilled talent, both at entry and experienced levels are lacking. The gap in talent demand-supply numbers and skill sets is further exacerbated by issues of talent attrition, whereby the EandE sector is losing its experienced talent to competing sectors and countries (Manshor and Yong, 2022). Continuing the loss of this experienced talent has an adverse impact on the quality and level of skill sets within the EandE sector since this talent would typically have good skill sets to be considered for international opportunities. The key talent issues facing the EandE sector in Malaysia are in many ways similar to talent issues faced by other industries in Malaysia, as well as regional and global EandE industries, however with varying degrees of severity; (1) Talent supply from Institutions of Higher Learning are not industry-ready; (2) Skills gaps in existing Talent pool; (3) Lack of employability skills