

CHAPTER 1 - INTRODUCTION

1.0 Chapter Overview

This chapter focuses on the introduction, background of the study, job performance, organizational commitment, job self-efficacy, job characteristics and work engagement in general sense. Subsequently, it discusses the objective of the study, research questions, justification, scope and end with the layout organization of the study.

1.1 Introduction

Employees are one of the most important determinants and leading factors that determine the success of an organization in a competitive environment. This is especially true for service organizations that rely heavily on their employees to provide friendly and courteous services to their customers in this competitive environment. Employees' productivity is largely related to their level of job satisfaction and in fact, the turnover rate can be reduced with a higher level of organizational commitment. Good performance is also related with achieving the quality, quantity, cooperation, dependability and creativity. Employee performance is considered as the measures of the quality of human capital which was held by the organization and is a key thrust in the Tenth Malaysia Plan. (Tenth Malaysia Plan)

Research results support the idea that job performance can be approached from a multidimensional point of view. According to Tutu (2012), performance can be understood as an interconnected series of behaviours and actions which involved both individual and workplace elements. Most of the authors consider the job performance as

the sum of behaviours that employee controls in a certain professional context (Campbell et al., 1993; Robertson, Callinan and Bartram, 2002), which are crucial for reaching the planned individual outcomes and objectives (Campbell et al., 1993), and which are relevant for the organizational objectives (Schmitt and Chan, 1998).

According to Churchill, Ford and Walker (1987), the determinants of performance are personal, organizational, environmental, motivation, skill level, aptitudes and role perceptions. Therefore, the quality of employees is important in influencing performance. In public sector, employees' job performance is very important because it will reflect the quality service and government performance. Thus, job performance becomes the most important focus of administrators and academicians because the performance level will depreciate if the level of skill of employee drops. Hence, performance standards were designed by the government as a measurement of public employees' performance, to ensure public employees performed well in serving the nations.

Past literature suggested there is there is relationship between attitudinal work behaviour, such as organizational commitment, job self-efficacy, job characteristics and work engagement with job performance (Muhammad et al., 2010; Samad, 2011; Ali et al., 2011; Krishnan et al., 2010; Bakker and Demerouti, 2008). This is because work attitudes concepts stem from its linkage with several employees' work behaviours and might have an impact on several work related outcome like job performance. (Robbins, 2005; Lancaster and Jobber, 1994). According to Steinhaus and Perry (1996) committed and satisfied employees are unlikely to indicate low performance and are normally highly productive who identify with organizational goals and organizational values (Churchill et al., 1993). Although previous research emphasis has actually been on the behavioral work outcomes of turnover and absenteeism, it has however been recognized that

employee's job performance is more important than turnover (Meyer et al., 1989). Therefore it is a greater need for more study to examine the relationship and effect of attitudinal or behavioural variables on job performance which includes attitudinal variables such as organizational commitment, job self-efficacy, job characteristics and work engagement and its relationship with job performance.

1.2 Background of the Study

This study focuses on public sector, particularly in Malaysia Co-operative Societies Commission (MCC), a government agency of Ministry of Domestic Trade, Co-operatives and Consumerism. Formerly known as the Department of Cooperative Development of Malaysia, MCC was established on January 1, 2008. MCC was approved to replace the present Department of Co-operatives Development of Malaysia to effectively regulate and supervise the co-operative sector and to realize its full potential.

The main function of MCC are to promote and uphold stability of the co-operative sector, ensure for the surveillance, supervision and regulation of co-operative societies and the co-operative sector, to encourage and promote sound and orderly development of co-operative societies and the co-operative sector, fostering co-operative values and principles, create a conducive environment for co-operative societies to carry out their activities and to register/ revoke the registration of co-operative societies. MCC are also responsible in audits co-operatives annual accounts, advises, motivates, develops and executes the Co-operative Law.

Co-operatives are, in essence an organization of people that work together to achieve certain economic objectives. Recently co-operative become more business oriented,

progressive and are now also expected to hold the role of transforming societies. Today's co-operatives performance is being influenced by the complex role assigned in the National Co-operative Policy (NCP) and the various Malaysia Plans (e.g. 6th- 10th Malaysia Plans). Government placed high expectation on the co-operatives as they are supposed to be the third most important sector and expected to play a vital part in reducing poverty in Malaysia. At present, the co-operative movement only contributes just slightly more than 1 percent to the GDP of Malaysia. MCC is targeting an increase to 10 percent co-operatives contribution to GDP by 2020.

Commitment and confidence by the government to extend co-operative societies as the third engine of growth in Malaysia are reflected by the financial and non-financial support indicated in various development plan. As example, the first national policy on co-operative development, The National Co-operative Policy (NCP), 2002-2010, was launched in 2002 to encourage co-operatives to actively participate and play a bigger role and in the economic growth of the country. NCP anticipated a co-operative movement which is active, strong and self-reliant and the government as the movement's regulator. This policy is in line with the other development policy such as the Vision 2020 and the National Vision Policy.

Towards this end, the formation of MCC plays a significant role in spearheading the implementation of the National Co-operative Policy (NCP) that focuses on a more holistic approach in the development of co-operatives. The focus will be on ensuring the stability and soundness of financial and management operations of co-operatives. Among others, this will include the mandatory registration, regulation and supervision of all co-operatives. The government allocated RM 69.5 million to further promote and develop cooperative activities.

The main challenge faced by MCC is to ensure that government aspiration on the co-operatives to be the third major contributor to the nations' GDP can be achieved by 2020. Thus various programs develop in context of co-operative development such as supervisory, gaining public confidence as well as organizational development focus in internal employees to keep talented and committed human capital in ensuring these goals come true.

1.3 Problem Statement

Issue of public service performance in Malaysia is broadly discussed in previous literature. Among the perceived weaknesses are lack of communication skills among civil servants, lack of leadership commitment in managing human resources at the agency level, resistance to change among the public sector employees, difficulty in handling and dealing with poor performers due to the lack of an exit policy, over-centralized decision making, lack of systematic succession planning that leads to unclear career paths, and lack of focus on human resource management by the top management in the agencies (Malek, 2006).

This findings was supported by Siddiquee (2006) who claims that public sector in Malaysia has long been criticized for its inflexibility, ineffective accountability, and poor performance among the officials. In general, public service in Malaysia continues to suffer from a poor image in terms of its overall performance. The increasing demand for higher quality of public services in terms of greater choice, responsiveness, accessibility, and flexibility is due to the rising income and living standards, higher educational levels, more diversified society, and a stronger consumer culture in Malaysia (Mohd Najib, 2006).

In light of these challenges, the Malaysian Public Service has to strive to raise its productivity by working to produce a higher level of performance and focusing on the requirements of its stakeholders and clientele (Malek, 2006) by introducing a number of policies and programs towards reinforcing the need for a high performance workforce. Notwithstanding the tremendous reformation being made and great emphasis being placed on performance, the public service has so far failed to bring about the desired results, particularly in the service quality and delivery (Johari et al., 2012). The bleak picture is evident when the Malaysian Public Service has recorded increased number in formal public complaints from 2009 to 2010. Although the number slightly dropped from 2010 to 2011, the total complaint number is considering still at high rate as shown in the Table 1.1 below:

Table 1.1: Public Complaint on Government Service Quality

No.	Complaint Category	2011	(%)	2010	(%)	2009	(%)
1.	Delay/No action	5975	44.7%	6452	43.9%	4275	33.7%
2.	Unsatisfactory Service Quality	2437	18.2%	2493	17.0%	2275	17.9%
3.	Others	4944	37.1%	5755	39.15	6133	48.4%
	Total Complaints	13,356	100%	14,700	100%	12,683	100%

Note :

Others : Complaints Category of Unfair action, failure of enforcement, miscellaneous etc.

Source : Public Complaint Bureau Department, 2012

According to Public Complaint Bureau Department 2012, the major complaints category is delay/no action taken by public personnel with the increase from 4275 cases (33.7%) in 2009 to 5975 cases (44.7%) in 2011. The number of complaints on unsatisfactory service quality

has increased from 2275 cases to 2437 in 2009 and 2011 respectively. (Public Complaints Bureau, 2012). Thus, based on the previous research and complaints statistics, Malaysian public service delivery is still at unsatisfactory level and need further improvement to increase the present level of service quality especially in the dimension of reliability, responsiveness, assurance and empathy dimensions.

Various explanations have been given by scholars on factors related to poor performance in the public service sector. For instance, Givan (2005) revealed the use of inappropriate performance indicators as the root cause while Black, Briggs, and Keogh (2001) pointed out the challenge for public servants to fulfil the need of multiple stakeholders as the core problem.

According to the Theory of Performance by Campbell, major determinants of performance is “person factors” in which performance are determined solely by the criteria of an individual namely motivation and ability. Later, Cardy and Dobbins(1994) and Waldman(1994) improved the theory by adding in the “system factors” as the antecedents of individual performance. In specific, “system factors” deals with factors in the organizational environment and work design that may affect individual performance (Williams, 2002). In addition, organizational commitment also has served a major construct of research for investigating the ties that bind someone to a particular occupation in a particular organization (Meyer and Herscovitch, 2001).

Since Malaysian Public Service is the single largest employer employing about 10.6 percent of Malaysia’s total workforce (Malaysian Public Service Department, 2007), the sizeable human capital needs to be mobilized and managed effectively and efficiently to unleash their full potential for the benefits of the nation. Energy and resources should be

focused on transforming human capital in the public service by strengthening their knowledge, skills, abilities, characteristics, and competencies needed to manage and lead the public administration of the future (Malek, 2006). Mwita (2000) diverted the focus to the top management personnel, who are responsible to identify the 'performance gap' and provide avenues for the public officials to upgrade their performance accordingly. In order to strengthen public competencies, it is crucial for top management to ensure all public employees have high in self-efficacy. This is because individuals who possess a strong sense of self-efficacy, difficult tasks are perceived as challenges, and they do their best to overcome all obstacles in their way to perform the tasks. Individuals with low sense of self-efficacy tend to set easier goals, suffer from job stress, and avoid facing the challenges (Judeh, 2012).

Other job attitudinal factor influence job performance is work engagement. Research by Bakker et al., (2004) revealed that engaged employees scored higher in extra-role performance ratings than those who were not engaged. This also supported by Schaufeli et al., (2006) who reported the connection between work engagement and the in-role performance of employees. Findings by George and Hegde (2004) acknowledged the role of traits and behaviors in employees, which may influence the customer satisfaction at different level. Aligned with this findings, Cappelli (1995), asserted certain personality variables may be just as salient as job characteristics or job attitudes and rewards as determinants of job performance.

Therefore, this study examines various determinants of job performance namely as affective organizational commitment, self-efficacy, job characteristics and work engagement as the job attitudinal variables that may influence employees' outcome in public sector. This study also will address how organizational citizenship behaviour

mediates the relationship between the above mentioned job attitudinal variables and job performance. It is a strategic importance to identify rationale why an employee's join a team and perform their work, in order to understand and predict the reactions to managerial actions. So, job attitudinal factors can provide a useful frame of reference for understanding human behaviours for both individuals and organizations.

As for MCC, the same problems occur in context of employee behavioural attitude that will affect their job performance. According to Chief Assistant Director of Service Unit, HRM of MCC, the main problem highlighted is regarding various issues of employee commitment such as grievance of heavy workload, working without adequate resources, unreachable deadlines, high quality demand from co-operative societies, uncooperative supporting staff, low motivation and low in citizenship behaviour. As for her observations, all these symptoms finally contribute to other related attitude problem such as high employee absenteeism in context of long tea breaks, cyber loafing, low self-esteem, high emergency leave and high medical sick leave among employees which might affect overall employee's job performance. (Personal Interview, MCC Head Office, Kuala Lumpur, 21 February 2012)

Thus, this study go in-depth of the said problem among employees in MCC because it is important for MCC to understanding their employee's attitudinal work behavior towards job performance and discover which factors contribute most to job performance. MCC needs to have a valid and reliable instrument to assess these issues and to evaluate their Human Resource policies and practices.

1.4 Gap in Previous Research

Theories seem to contend that attitudinal factors such as organizational commitment, self-efficacy, job characteristics, work engagement, job involvement and job satisfaction is closely related to job performance. However the findings of past research have been inconclusive. For instance in organizational commitment context, Ward and Davis (1995) found a positive relationship between organizational commitment and job performance. On other hand, Meyer et al., (1989) found that the direction of the relationship between commitment and work outcomes among managers was based on the type of the commitment. Meyer and Allen's (1996) found a positive relationship between affective commitment and job performance and a negative relationship between continuance commitment and job performance. This finding indicates that although the relationship between commitment and job performance was established, but the direction of the relationship varied as a function of the nature of the commitment.

The finding of this research might be different from past studies in private sector due to different nature in public sector environment. First, organizational structure in public sector is high in hierarchical level as compared to private sector organization, as indicated by past studies that public sector is an organization with bureaucratic nature and rule bound (Bozement, 2000; Bozeman and Pandey, 2004; Denhardt, 2000). Thus all policies, rules and procedures regarding all aspects are highly rigid, clearly stated and well documented and less flexible compared to private sector counterpart might add to different results.

Second, the difference in corporate culture and work ethics of public and private organization also might contribute to the different results. The literature on

organizational culture and performance revealed private sector focused most in high performance work culture since private sector organizations strive for good financial results whereas public organizations are aimed at non-financial aims like delivering good public services to citizens (Vermeeren et al., 2009). Past research indicated that certain organizational cultures lead to superior organizational performance, depending on cultures focused in that particular organization. Since there are major differences in corporate culture and work ethics in public and private organization, the results of this study might lead to different findings.

In addition, the different in leadership and management style in public and private organization is believed to lead in different findings in this research. Given the difference nature of organizational structure, management style, culture, nature of work and the design of job in public and private sectors, this study may have different results due to these contextual differences.

The first issue dealt with in this study that has not been emphasized in earlier studies especially among public service employees in Malaysia. Past research on comparative studies of public and private sectors consistently established that private sector employees demonstrate greater organizational commitment than public sector employees. Beside commitment, there was a lack of studies linking self-efficacy to job performance, and results indicated varied finding depend on nature of research setting. Since self-efficacy reflects the employees' confidence in their ability to carry out their job tasks thus self-efficacy is seen as important attitudinal factor that might influence job performance among public employees and the author attempted to bridge the gap and open a new avenue of future research.

Next, it has been seen that there is extensive research on the job characteristics and it has been linked to the motivational job design to various personal and work outcomes in private sector including intrinsic work motivation (Houkes, Janssen, de Jonge and Nijhuis, 2001; Millette and Gagné, 2008) and job satisfaction (Adrian, Buboltz and Winkelspecht, 2004; Taris and Feij, 2001) but less considerable research linking job characteristics and job performance especially in public sector setting has been found. Considering the importance of job design that might have a positive or negative impact on work attitudes and behaviours, this study will test the role of job characteristics in influencing public employees' performance.

Work Engagement is one of attitudinal states that would result in positive behavioural aspects. Public employees who are highly engaged in their work were assumed to be more intrinsically satisfied in their work, thus they are more likely to engage in positive and productive behaviour, which later mirrored through a high level of job performance. Unfortunately, much of what has been written about employee engagement comes from the practitioner literature and consulting firms. There is a surprising dearth of research on employee engagement in the academic literature (Robinson et al., 2004). This research intended to reveal the work engagement and job performance relationship in context of public sector setting.

In context of job performance, recent research by Muhammad et al., (2010) found the performance of the employee working in the private sector is significantly higher than that of public sector, therefore managers must devise some strategies which will improve the performance of the employees working in the public sector. Previous research study on direct relationship between organizational citizenship behaviour (OCB) and job performance and had proven that OCB can help organizations to improve performance

and gain competitive edge as it motivates employees to perform beyond the formal job requirement. However, very limited research was conducted on the effect of organizational citizenship behaviour as mediator of job performance in public sector setting.

The following questions concerning the attitudinal and behavioural related aspects are largely unanswered in Malaysian public employees' context: (a) What is the relationship between attitudinal job behaviours (affective commitment, job self-efficacy, job characteristics and work engagement) and job performance among public employees. (b) Does Organizational Citizenship Behavior mediate the above mention relationship? In addition, previous studies were conducted in western setting and this study would like to provide empirical evident that western management and organizational theories could be valid in non-western setting and the finding found in a certain society might be an evident in different society.

Furthermore, past studies have focus largely on direct relationship among attitudinal job behaviours such as organizational commitment, job self efficacy, job characteristics, work engagement with job performance. However the influence and effect of organizational citizenship behavior on job performance relationship has not been explored extensively. Given the gap, this study investigates the mediating effect of organizational citizenship behaviour on the above mentioned relationship.

1.5 Justification of Study

Research towards commitment is seen useful for a number of reasons. Past studies consistently related commitment to (a) employee behaviours, like searching a job

elsewhere, absenteeism, turnover and a little extent to performance (Bergmann et al., 2000; Samad, 2005; Boles et al., 2007; Muhammad et al., 2010; Steyrer et al., 2008) (b), attitudinal, affective, and cognitive constructs such as job involvement, and job tension (Hackett et al., 2001; Samad, 2007; Uygur and Kilic, 2009) (c) job tenure (Wiedmer, 2006; Salami, 2008). Other research by Meyer et al., (2002) identified several outcomes of affective and normative commitment such as withdrawal cognition, turnover intention, turnover, on-the-job behaviour (i.e., absenteeism, organizational citizenship behaviour, and job performance), and employee health and well-being.

According to research, organizations pay more and more attention to employee commitment and job satisfaction to increase retention and performance (Steers, 1977). Commitment of employees can be an important instrument for improving the performance of the organizations. In most of the organizations the high rate of stress leads to lower satisfaction and in turn produces very low organizational commitment (Elangovan, 2001). Furthermore, organizational commitment is often linked with forms of work and nonwork behaviour, like turnover intention (Allen and Meyer, 1996). This is especially important to overcome the problem of an ageing workforce, a shrinking labour supply, the changes in employment structures and the sectoral shifts in employment.

Kim (2006) and Lee et al., (2006) strongly suggested that research on job performance of public officials is considered very necessary for two main reasons: firstly, research findings in this area are thus far inconclusive; and secondly, job performance has a profound impact on the performance of the public sector as a whole. These bases prompted the need for practitioners and academia to systematically examine antecedents of job performance among the public officials. Considering the gap, this research is intended to measure the attitudinal construct such as organizational commitment, job

self-efficacy, job characteristics, work engagement in influencing employee performance particularly in Malaysia Co-operative Societies Commission (MCC).

MCC has taken various alternatives to improve employees' wellbeing in the organization context. However the organization still facing employees' problem such as low in self-esteem, lack of confident dealing with customers, high employees' complaint on job task, unwilling to work overtime and low relationship among employees in different department. This entire problem occurs might be because of many factors such as employees' personal characteristics, uninteresting job, unchallenging task and low engagement between co-workers and own personal attitudes towards their job. Thus, the management of MCC believe that research in attitudinal job behaviours would help addressing those problems and the finding of this research will give an input to management on proactive action to be taken in improving overall employees' job performance. (Personal Interview, MCC Head Office, Kuala Lumpur, 21 February 2012)

In addition, for a couple of decades ago organizational industrialists have been emphasized the importance of attitudinal aspects on the relationship between commitment and job performance and in improving the working environment (Farh et al., 1997 and Roberts et al., 1997).

This research is worthwhile since MCC is an agency responsible for co-operative development in Malaysia. Expectation placed on the co-operatives are high as they are supposed to be the third sector, play a vital part in reducing poverty and are given a specific place in the overall plans for the national development. MCC is targeting an increase to 10 percent contribution of co-operatives to national GDP by 2020. The government expect co-operative to be the third engine of growth besides public and private sector. Thus in order to fulfil the government aspiration, it is crucial to gaining

public confidence in MCC by having talented and committed employees and ensure their excellence supervision and assistance to co-operatives societies for their movement towards achieving 10% GDP by 2020.

1.6 Research Questions

In seeking to achieve the research objectives, this study attempts to answer the following research questions:

- (1) What is the relationship between affective organizational commitment and employees' job performance?
- (2) What is the relationship between job self-efficacy and employees' job performance?
- (3) What is the relationship between job characteristics and employees' job performance?
- (4) What is the relationship between work engagement and employees' job performance?
- (5) What is the relationship between organizational citizenship behaviour and employees' job performance?
- (6) Does Organizational Citizenship Behavior mediate the above mentioned relationship?

1.7 Objectives of the Study

The ultimate objective is to develop a better understanding of attitudinal job behaviour among employees of MCC and to identify its relationship with job performance. As such, specifically, this study hopes to achieve the following objective:

- (1) To identify the relationship between affective organizational commitment and employee's job performance.
- (2) To identify the relationship between job self-efficacy and employee's job performance.
- (3) To identify the relationship between job characteristics and employee's job performance.
- (4) To identify the relationship between work engagement and employee's job performance.
- (5) To identify the relationship between organizational citizenship behaviour and employees' job performance.
- (6) To determine whether Organizational Citizenship Behavior mediate the above mentioned relationship.

1.8 Significance of the Study

The significance of the study is to provide some guidance and benefit to policy maker and managers in public sector organization for better planning and move towards retaining their employees. The findings of this research will help the administrators to receive more information or guidelines on how to train their staff. Secondly, the findings of this research are important to the development of Human Resource Practice' strategy to encourage employees to be committed to their current job position in the organization

and to promote a better theoretical understanding and recognition of the complexities associated with overall job performance.

Third, this study would help in evaluating self-efficacy level among employees in public sectors organization and give guidance on ways to enhance employees' self-efficacy in order to improve their job performance. Fourth, the findings in regard of job characteristics would help managers in designing meaningful job design with certain job gives more autonomy and challenge to employees. Noteworthy that job characteristics of employees at all levels vary widely, job design should be an important antecedent in determining job performance. Finally, the finding will facilitate HR of public sector organization to understand the role of work engagement in predicting job performance. Therefore, would give insights on resources and benefits that are most desired by employees and most likely to create a sense of obligation that is returned with greater levels of engagement.

Information and research findings will be a good knowledge or useful assets to public sector organization as well as MCC to improve the overall commitment, employees' self-efficacy, and job design and work engagement that might influence employees' job performance, since the quantitative study on the relationship between job attitudinal behaviour and job performance has not been carried out in MCC. In the long run, this study is a part of periodically and continuously evaluations and reviews series.

1.9 Scope of the Study

The study is focused on the employees of MCC which consist of two main group of employees namely as Kumpulan Pengurusan dan Profesional and Kumpulan Sokongan 1.

This study primarily designs to review relationship between job attitudinal behaviour and job performance and organizational citizenship behaviour and performance's relationship among employees of MCC. A survey instrument of questionnaire was used to collect data.

1.10 Organization of the Study

This report is structured into five chapters. Chapter 1 seeks to present the introduction and background of the study, highlighting the interests to study about job attitudinal behaviour among employees of MCC. It's also providing brief explanation of job performance, organizational commitment, job self-efficacy, job characteristics and work engagement by past researchers. This chapter also focus on the objectives and significance of the study, specifying the objective of the study while exploring some relevant research questions. This chapter also covers scope of the study and ended with the covering components of organization of this study.

Chapter 2 is the literature review to identify the previous studies regarding job performance, organizational commitment, job self-efficacy, job characteristics and work engagement. This chapter also critically review various concept and theories about these attitudinal variables. This chapter also will cover the conceptual framework used to show the relationship of these variables being studied in this research.

Chapter 3 provides The Research Methodology used in this study, which covers detailed explanation of research instrument, sampling design, data collection procedures as well as various techniques used to process and analyze the data obtained.

Chapter 4 discussed the research results and analysis. This chapter highlights the key finding of this study, presenting the results of hypothesis testing, summarizing the statistics available about the respondents and conclude with the discussion of the research findings.

Chapter 5 concludes the discussion and relate to the objective of this study, confirming on key findings and implications of the results derived by this study. It also highlights on how this finding contribute to new knowledge to relevant individual, policy maker and as well as organizations. Recommendation for future research also included in this chapter.