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BUSINESS & MANAGEMENT
A Holistic Approach in Reducing Organizational Cynicism: The role of Job Autonomy

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ABSTRACT
The paper aims to develop a framework regarding organizational cynicism. The model of this study seeks to explain the relationship between job autonomy and organizational cynicism. An extensive review helps to develop the possible relationship between the variables. The proposed framework of this study is useful for the future researchers to expand more studies on organizational cynicism. In order to fill the gap and inconsistencies found in the past studies, it is assumed that the role of job autonomy is important to reduce organizational cynicism.

INTRODUCTION
The changing environmental condition, gaps between individual and social expectation, complexity of work life and difficulties in time management of today’s workplace create tension for employees. Organizations used to thrive on the favourable work attitudes of their employees. However, in many organizations, the unfavourable attitudes among employees are a fact of life that organizations have to face. Among these attitudes, a relatively problematic issue that organizations have to deal with is organizational cynicism which known as a negative attitude towards organization (Dean, Brandes and Dwardkar,1998). An emerging topic of organizational cynicism have met scholarly interest for over the years. This concept has become the focused topic in various social sciences research disciplines such as management, psychology, sociology, philosophy, religion and political science (Ince and Turan, 2011). There is a growing concern among the researchers and practitioners regarding employees attitudes that potentially have devastating effects on organizations. As “Cynicism is everywhere in organizations (Dean et.al, 1998, p.341 )

The existing literature on organizational cynicism mainly comes from developed part of the world and only few studies have covered this issue in developing countries (Bashir, Nasir, Saeed & Ahmed, 2010). There might be different factors than leads towards employees’ organizational cynicism. For example, if employees working in the private sectors based in the USA feels frustrated, the factors which influence their level of frustration could be not similar to factor which cause frustration among employees who are working in the public sector of other countries such as Malaysia and other part of the world. Moreover, there are huge differences in lessons learnt based on contextual factors from research that have been done in the development countries may not necessarily have similar implication in the developing/underdeveloped parts of the world. On the other circumstances, it is also agreed that studies on organizational cynicism that have been done in other countries is relevant to be generalized in other country including Malaysia (Mohd Noor & Mohd Walid, 2012).

One of the major concerns that trigger organizational cynicism is less autonomous power given to the employees. The absence of autonomy creates melancholy (Stets, 1995) and frustration which results towards misbehavior and felony (Agnew, 1984) creating serious problems for the organization. Although employees are hardworking and take seriously on their work, but still they seems to less satisfied and lack of passion which cause them to be less committed to the organization. These
problems happened as employees feel restricted from working freely and be a part in decision making regarding their own work by themselves. (Naqvi, Ishtiaq, Kanwal & Mohsin Ali, 2013). In handling with the issue organizational cynicism, the job autonomy is one of the necessary weapons to reduce negative attitude. This is because autonomy gives individuals the liberty to control the rate of work and to establish work assessment procedures (Dee, Henkin & Chen, 2000). Furthermore employee will not face strict controls (Meyer, 1987). Although job autonomy has been found to negatively related with organizational cynicism (Avey, Hughes, Norman and Luthans, 2008), there are some inconsistencies found in the past research which seems difficult to confirm the relationship of these two variables, especially between the need and actual practices of job autonomy (Dee et al., 2000; Agnew, 1984). This can be due to the reality that job autonomy is considered as a risky option. Many organizations are not willing to empower their employees because autonomy is difficult to handle and it also places a higher responsibility and trust on the empowered individual with minimum supervision (Langrfred, 2004). With such inconsistencies found, it is relevant for the present study to investigate more to discover the relationship between job autonomy and organizational cynicism.

**Problem Statement**

One of the major concerns that trigger organizational cynicism is less autonomous power given to the employees. The absence of autonomy creates melancholy (Stets, 1995) and frustration which results towards misbehavior and felony (Agnew, 1984) creating serious problems for the organization. Although employees are hardworking and take seriously on their work, but still they seem to less satisfied and lack of passion which cause them to be less committed to the organization. These problems happened as employees feel restricted from working freely and be a part in decision making regarding their own work by themselves. (Naqvi, Ishtiaq, Kanwal & Mohsin Ali, 2013). In handling with the issue organizational cynicism, the job autonomy is one of the necessary weapons to reduce negative attitude. This is because autonomy gives individuals the liberty to control the rate of work and to establish work assessment procedures (Dee, Henkin & Chen, 2000). Furthermore employee will not face strict controls (Meyer, 1987). Although job autonomy has been found to negatively related with organizational cynicism (Avey, Hughes, Norman and Luthans, 2008), there are some inconsistencies found in the past research which seems difficult to confirm the relationship of these two variables, especially between the need and actual practices of job autonomy (Dee et al., 2000; Agnew, 1984). This can be due to the reality that job autonomy is considered as a risky option. Many organizations are not willing to empower their employees because autonomy is difficult to handle and it also places a higher responsibility and trust on the empowered individual with minimum supervision (Langrfred, 2004). With such inconsistencies found, it is relevant to discover more on the relationship between job autonomy and organizational cynicism.

**LITERATURE REVIEW**

**Organizational Cynicism**

Organizational cynicism refers to the negative feelings among individuals, which is believed to have a negative impact on organization such as dissatisfaction, disturbance, hopelessness about the organization and also the colleagues in the workplaces (Ozler and Ceren, 2011/ Özler et al., 2010). Andersson (1996) viewed organizational cynicism as general or specific attitude characterized with anger, disappointment, and also a tendency to distrust individuals, groups, ideologies, social abilities
or institutions (Andersson, 1996). This kind of attitude mostly experienced among employees who believe that their organization is lack of honesty. Research has indicated that organizational cynicism is resulted from the employee’s perception in terms of morality, integrity and justice are being despoiled (Ozler et.al 2010)

An early definition of organizational cynicism was introduced by Brooks and Vance (1991) who conceptualized it as to acknowledge that this issue could be solved but it would not be last to other’s inability and failure to address the problems. As an addition these scholars have introduced the elements of a shared climate of cynicism. These elements consist of three components which is improvability, hindrance and a cynical climate that surrounds the organizational cynicism new construct.

Ferris et al. (1998) consider organizational cynicism is something that associated with employees’s perceptions of self-centeredness, misuse, exploitation, partiality and nepotism at work. This can be disastrous to the entire organization and hinder the organization to reach its goal (Nafei, 2013). On the other hand Eaton (2001) described the cynical employees as the employee who have gave up on their hope. With such cynicism towards the organization, this will cause anger among employees and this may influence their action to act on their frustration. can be disastrous to disastrous to the entire organization and hinder the organization to reach its goal (Nafei, 2013).

Wanous, Reichers and Austin (1994) have specifically described organizational cynicism as “encompassing pessimism about the success of future organizational changes based on the belief that change agents are incompetent, lazy or both” (p.269) In the context of organizational change management perspective, Ince&Turan (2011) viewed organizational cynicism as an attitude that arise in the workplaces due to the mis-managed of change efforts and it is believed that organizational change is considered as one the major factors of organizational cynicism (Nafei, 2013). As the people in an organization is important to its performance and the quality of work, it is necessary for the top management managers or leaders to take into consideration the impact of organizational cynicism on the employees (Rainey, 2003).

**Defining Job Autonomy**

Autonomy refers to the extent of power that employees have to delegate their own task and other job activities. It is specifically concerns on the voluntary power and freedom towards the work goals, task elements arrangement and determining the process and the pace of task that are conducted (e.g. Kwakman, 2003; Xanthopoulou, Demerouti, Bakker, & Schaufeli, 2007).

Job autonomy is considered as a main characteristic of work and has been most extensively studied by researchers in job design characteristic (Smith, Kot & Leat, 2003). It has been defined as “the degree to which the job provides substantial freedom, independence, and discretion to the individual in scheduling the work and to determine the procedures to be used and carried out (Hackman & Oldham 1975; Dysvik and Kuvaas 2011). It is also related with the choice and freedom that exist in the job to perform variety of task (Brey, 1999). On the other hand, it is specifically refers to employee’s self rule and independence in terms of decision making (Hackman & Oldham, 1976, 1980).

The other important benefit of Autonomy, it gives employee the authority and enable them to find out solutions personally (Wang & Netemeyer, 2002). It is also considered to be a worthy choice if employees can make a knowledgeable decisions (Shemesh, 2005). Job autonomy is also believed to reduce the strictness controls that have to be faced by employees (Meyer, 1987), which provides employees to establish work and assessment procedures (Dee, Henkin & Chen, 2000).
The self-determination theory posits that job autonomy is an essential weapon which fosters satisfaction while need for autonomy is important in finding out the employees outcomes (Deci and Ryan 2000; Gagne and Deci 2005). In the service sector, job autonomy is important in discovering the degree of how employees of the service sector can adapt to the changes (Iqbal 2013). Therefore, job autonomy is useful to be regarded as one of the most important sources in a service sector employees like the Immigration officers to increase their motivation, fulfilling their job satisfaction and also reduce cynicism.

**Background and Theoretical Development**

![Conceptual Framework](image)

**Figure 1: Conceptual Framework**

**Job Attonomy and Organizational Cynicism Relationship**

Autonomy refers to a characteristic of task that has a huge impact on employees psychological states, for example, a feeling of responsibility for job satisfaction and the work outcomes (Hackman & Oldham 1980; Podsakoff et al., 2000). Every individual have the ability to seek the opportunities towards growth and development. It is not matter whether they are fail or success, but it depends on the features of the context, which they may looking forward as an opportunity that will help to develop themselves (Jarrod Haar and Roche 2010).

Autonomy also may act as a factor to enhance employees motivation to give more effort into their work (Chen and Chiu, 2009). It is because, Employees who are given the autonomy will have more liberty to control and regulate the pace of work and its processes and also be able to evaluate the procedures of work. (Naqvi et al., 2013) Job autonomy also contributes to improve job performance for employees who are well equipped with skills and creativity to accomplish their work (Saragih, 2011; Çekmecelioğlu & Günsel, 2011). By given the job autonomy, it enables organization to explore more how its service sector employees can be adapted to the changes (Iqbal, 2013).

It is found that the high level of job autonomy brings employees to feel well adapted with the situational factors compared with other employees who experience less autonomy (Gellatly & Irving, 2001). In comparison with those who have little job autonomy, those who with more job autonomy will show more satisfaction with variation aspects of the work context (Oldham & Hackman, 1981), positive affect, self confidence and internal motivation (Hackman & Oldham, 1976). Besides, it enables employee to expand their creativity (Oldman & Cummings, 1996) and less emotional dissonance (Abraham 2000). Having jobs with adequate autonomy in the organization could equip employees to experience more engagement as autonomy helps to decrease emotional dissonance.
(Karatape, 2012). On the other hand, as job autonomy is important towards employee wellbeing, it gives employees more opportunities to adapt themselves with stressful situation and assist them to make decisions on how and when to respond to job demands. With such benefits, employee will face less burnout (Bakker and Demerouti, 2007).

Research has also indicated that job autonomy has a huge impact in influencing employees work attitude (Naus et al., 2007). Employee who are empowered to control over their work will be able to meet the job demand and adapt with ambiguity that placed on them. This may reduce the role ambiguity that they have faced. In addition, Çekmecelioğlu et al. (2011) on their previous research has also demonstrated that job autonomy affecting in reducing the role ambiguity. On the other hand, they also found that job autonomy may leads to a higher level of employee creativity and performance. It is because, job autonomy provides freedom and discretion. So that, employees become more independent to carry out their task. Therefore, it may boost employees’ self confidence level. As other benefits, autonomy may give employees more opportunity to show their extra role behaviour such as OCB (Runhaar, Konermann, & Sanders, 2013).

The importance of job autonomy is very useful to sustain and improving employees contribution to the organization (Holz-Clause, Koundinya, Franz & Borich, 2012). It is also one of the useful sources to discover the degree of how employees of the service sector accustomed to the changes (Iqbal, 2013). Kroth and Peutz, (2011) in their research stated that, job autonomy is one of the important requirement factors that helps to foster a supportive work environment. When employee’s need of autonomy is fulfilled, many of the positive outcomes will occur (Gillet, Colombat, Michinov, Pronost, & Fouquereau, 2013). On the other hand, according to Gillet et al., 2013 in their research, these positive outcomes has been found to increase well being, (e.g. Panaccio & Vandenberghe, 2009, Brien, Forest, Mageau, Boudrias, Desrumaux, Brunet, & Morin, 2012), organizational commitment (e.g. Tremblay et al., 2010, Meyer et al., 2012) and work engagement (e.g. Van den Broeck et al., 2010, Zacher, & Winter, 2011).

**CONCLUSION**

In this paper, we attempt to posit a framework to explain possible relationship between job autonomy and organizational cynicism. This is an issue that future research should focus on in determining the relationship between the two variables. In fact, this paper aims in striving for the direction at this stage of research. With this temporary conclusion, it can be properly described as what Runkel and Runkel (1984) called “Interim struggles”.

**REFERENCES**


Microfinance in a conflict state: Principles, strategies and challenges

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ABSTRACT

Conflict leads to destructions of life, properties and infrastructures such as markets, airports, schools, train stations, places of worships, diplomatic houses, bus stations, roads and bridges and the consequences causes outbreak of diseases and sicknesses, loss of business and jobs, leads to conflict in the host state of the refugees and create social problems and breach of law and order and consequently, increases the number of the poor people in the society. The most hit victim of conflict is the poor. Therefore microfinance institutions have to come in to support the victims with microcredit to assist them start a micro business to generate income to get them out of poverty. The aim of the study is to determine the principles, strategies and challenges face by microfinance in the states that are besiege with conflict. The source of data collection is basically documentary. The study found out that for microfinance to operate in the conflict areas, they must initiate and implement plans that will help them carry out their functions by securing their physical assets and their staff, established a data recovery and backup system, diversify their loan portfolio, expanding their services to include micro insurance and savings. Microfinance should be able to assist their customers to foresee and get ready for any disaster by encouraging compulsory deposit or savings to help the victims of conflict to have access to funds immediately. Lastly, conflict leads to decrease in productivity of the staff, revenue or income and loss of properties both physically and financial for the clients and the microfinance institutions and hence, issuance of microloan and loans repayment also decrease.

KEYWORDS: conflict, microfinance, state, microloans, savings

1.0 Introduction

The result of any kind of conflict is accompanied with a devastating effect on growth and development of the community or the economy as a whole. The consequences can be inform of loss of trust, decrease in interaction with one another, depleting economy, death, rise in tension or fear of attack between the ethnic groups, trauma, displacement and loss of self esteem (Marohabout et al., 2009). More so, the clients and staff of micro credit institutions and their assets are endangered during conflict because of lack of security. Most at a time huge sum of money are being taken to the crisis areas or villages where small loans are to be giving to the poor people affected and when the clients are repaying to the microfinance institutions, the money are taken back to their offices and banks. Therefore, such situation can lead to threat of robbery, injuries and even killings, because it is
expected that almost all the members of the community will be aware of their coming, the time and the place (Graber, 1997).

Many researchers have looked into microcredit in conflict areas and found out that, the needs for financial services abound in those areas even though the demand may reduce at the beginning, but it will still rise up again and clients can make repayment at a stipulated time and hence, microcredit institutions can work successfully in such areas where there is conflict (Larson, 2001; Domond et al., 2006; Phillip, 2004 & Tarvis, 2004). Although some researches point out the difficulty to be encountered in terms of security, human resources of microfinance institution and the beneficiaries which can in some situation reduce progress of self reliance of the clients and create dependency on the aid funds (Wilson, 2002). Studies have shown us some relevant direction or procedure to follow by the microcredit institutions to work in such areas where there are conflicts. Even though the guidelines to be used still rely on the specific nature of the situation they may encountered in those areas, which may possibly be different from one place and another.

Microcredit in the wake of conflict situation is considered to be a means of lessening reliance on relief materials, restoration or building peace and contribute it quota in bringing back the affected community into it former self, improving gender roles, giving a helping hand to developmental programs (Wilson, 2002). This means that more financial intervention is needed as an important measure or yard stick for an economy that has suffered in conflict to be kick started in order to speed of growth and development in that community (Nagarajan, 1999). Even though, provision of finance is going to be low in communities with low income that has passed through conflict for some times. Micro credit institutions becomes very important and an avenue to decrease the gap or vacuum by channeling services, products and process to the society in the way that it cannot be done by the commercial banks. Other ways to do it is by providing short term aid and project reconstruction and technical assistance (Hailey, 2001). If microfinance institutions are able to provide the above services in the conflict area, there will be increase in microenterprise activities, increase in micro business will increase job and consequently income of the households will increase and the economy of the community will be busted and revived. Most especially when micro credit institutions focus their interest and emphasis on the positive effect they are bringing to the livelihood of the people in the communities as against the negative effects because they realize their important contribution in conflict situation (Larson, 2002). Although, Nagarajan and McNulty (2004) argued that despite the effort of microcredit as a means that assist in economic development among other tools, it cannot stop conflict and cannot be the main tool for building peace in the areas. Despite all the issues surrounding microfinance, microcredit has still remain a promising tool in conflict affected areas to assist in building the economy that has being destroyed with reasonable outreach and stability (Emre et al., 2007).

The objective of microfinance is to meet the financial need of the poor who are at high risk side in the society in whatever situation. Therefore, microcredit can lent an immediate helping hand to the social and economic recovery of the poor affected by the incidence of conflict by giving them money inform of credit and other services to be used to generate income for the upliftment of their wellbeing, straitening society tie and depending those living in poverty from reduction of income (Poston, 2010). Giving microcredit in a crisis situation can be done on the condition that the microcredit institution is ready. Any microcredit institution that is not ready for the time of crisis may not be able to guide it clients as well as protect itself during the attack (Miamidian et al., 2005).

The main goal of this paper is to determine the principles and practice to be used and the challenges facing microfinance institutions in a conflict affected areas. The study is subdivided into the following sub headings; microfinance, conflict and its features, measures to be taken by microfinance in anticipation of conflict, principles and practice of microfinance in conflict affected state, microfinance strategies in a conflict affected state, why not to do microfinance, Clients needs during and after conflict, product and services that support coping mechanism in conflict areas, impact of conflict to microfinance, the challenges of microfinance use in the conflict affected state and the conclusion.
2.0 Literature Review

2.1 Microfinance

Microfinance is a bank for the poor people, which give microloans, savings and other services or products to the poor or those living in poverty that cannot be attended to by the traditional banks as a result of their inability to have and present enough collateral (Maanen, 2004). Grameen Bank observed that micro credit is a program which gives loans to the vulnerable and poor individuals to do micro business in order for them to realized revenue that will help them carter for themselves and their households. The services or product at the disposal of microcredit institutions are; microloan, insurance, savings and funds transfer (MIL, 2013). Microfinance is established on the believed that poor people have the ability and skills that are not being utilized. Hence, it is not the absence of ability or skill that leads to poverty and gift is not the best solution to poverty, but instead it assists in increasing and widening the level of poverty and it existence. When people relied on somebody or persons for gift all the time, those people ability and skill will disappear and it will be difficult for them to be removed out of poverty cycle. Therefore, releasing creativity and power to people is the solution or answer to poverty (Yunus, 2004). Doyle (1998) opined that microcredit is seen as a medium that can be used to meet so many objectives and becomes an economic growth and development policy or strategy that is directed at reconstruction by making available all the necessary financial services for the establishment of a venture for beginning the local economy and also serves as a means of bringing peace and reconciliation.

Doyle (1998) concluded that a lot of attention is being shifted to financial service market in a conflict affected areas, with specific consideration to targeted people in the area like demobilized soldiers, returnees, women, refugees, internally displace individuals and households, and those living in some rural areas affected by conflict. More so, microfinance institutions are expected to reduce the rate of interest, introducing new microloan products like, agricultural credit or loan, providing training to help them know the kind of business to do immediately after the conflict, and creating training partners locally.

Larson (2001) opined that micro credit institutions play a great role in the provision of intangible services informs of socio-political settlement or reconciliation. This take place inform of building trust and confidence through group lending and encouraging economic activities between the ethnic groups in the society. These goal can be promoted when the microcredit succeed for a long time and in the improvement of the welfare of the communities that are engulfed with conflict experience as a result of the availability of the microcredit.

Manalo (2003) concluded that conflicts brings fresh type of clients or beneficiaries, such as refugees, returnees, demobilized soldiers, war widows, internally displace people, rape victims and argued that, embracing a wider coverage of clients in a conflict zones will help the microcredit provider to spread the operational risk and undertake the process of providing financial service effectively and efficiently as a strategy. This will help in reducing tension and settle little differences among the groups of the clients and the process of bring back war affected group together in the community becomes high.

The studies above agrees that microfinance donors in conflict areas are believe to gear their efforts toward the objective of kick starting the building of the economy in a conflict situation or areas, encouraging self employment as a means of survival since the microcredit institutions can lent a helping hand in that direction through microloans and other services.
2.2 Conflict and its features

Conflict comes out of disagreement over something between two individuals or groups, where the individuals or groups perceive a threat to their interest and needs (Rahim, 2010). The process of conflict is equal whether between a nations, groups and individuals. The features of conflict affected areas as observed by CGAP (2004) are:

- Psycho-social - this can come in form of fear of another attack, lack of trust, separation of the members of the family from each other, death, in ability to have good plan for the future in the areas.
- Infrastructures and services - some basic and essential amenities like schools, healthcare delivery, good water and sanitation may be difficult to access and possible lost. Existing infrastructures like electricity, roads and bridges may be destroyed and consequently neglected and forgotten.
- Economic - there will be destructions of houses and microenterprises properties, people may no longer believe in the financial system, aid funds will fill the state or the economy.

While, World Bank (1999) Collier et al., (2003) and Manalo (2003) gave some reasons for the occurrence of conflict to include:

- Historical - the structures laid down and left by colonialism and imperialism such as the existing unmerited favor of one ethnic group over another, creation and forceful imposition of artificial boundaries contributes in the border conflict between one village or state and another, fight for the control of government most especially in an event whereby the government in power is dissolved, force imposition of communities leaders against the wish of the people.
- Political - conflict aroused or came into being, most at a time as a result of the differences in political ideologies, lack of equality in the distribution or sharing of state resources, domination of the military.
- Social exclusion - inability of the state to give equal change to individuals or group of individuals to participate in a community on ethnic, regional, religious or social activities create tension and frustration that could lead to conflict.
- Economic - fall in income as a result of long period of economic stagnation, lack of good and sustainable agricultural programs, increase denial of a section of the community, increase in population without a correspondent increase in resources and jobs. Lastly, lack of education or knowledge, poverty and lack of jobs are some of the contributing factors to conflict.

2.3 Measures to be taken in anticipation of conflict by microfinance

Microfinance institutions most to be ready to cope in the advent of conflict by initiating and implementing an impromptu plan that will help them to know what to do and also how to protect their assets in an environment that is subject to conflict. According to Microfinance Gate Way (2013) for the microfinance to protect its financial and physical assets, the following have to be provided:

- Secure physical assets by making security arrangement and ensuring their properties.
- Establish a data recovery and backup system.
- Protect cash assets through bank account.
- Diversify loan portfolio (locations, types of loans, types of customers).
- Expand the range of financial products to micro insurance, and savings.
Therefore, microfinance institutions must have the ability to assist its customers foresee and be ready for possible disaster. Hence, they can provide loans and implement compulsory deposits to help the victims of conflict financially.

2.4 Principles and practice of microfinance in a conflict area

The principles and practice of microfinance in a conflict affected areas as opined by Microenterprise Best Practice (1999) are as follows:

- To give services that meet the needs of poor micro-entrepreneur: Just like any other venture, microcredit institutions are expected to give services or products that the poor people want and are willing to go for it in a conflict area. Such as, shorter credits that can be matched with their kind of businesses, market and expense and income, small loans given at an interval with small increase, and giving services to clients at their door post.

- Decrease unit cost by streamlining the operation: Microfinance institutions should create a method of giving their services more efficiently and at a very minimal cost. This will go a long way in decreasing cost of interest charged to clients, makes it easier to give standard credit services, own less expensive cars and buildings unlike commercial banks, credit and saving officers should be accessible always by the clients and their level of education and income should not be wide.

- Encourage beneficiaries to pay loans by informing them that it is on their best interest to pay the credit not to just go away and leave them, other things to do is to give the clients access to your service continuously that will serve as an incentive to repay their loans, group lending will give pressure to repay and support each other, give discounts for paying earlier and punishment for late repayment and other incentives.

- Charge full fees and interest rate - For microfinance to operate continuously it is expected to take care of its long-term cost. Although, losses are being subsidies by the donors most at a time for a long period in conflict areas, this will not last forever.

- Achieve scale: it is possible for the micro credit institutions to maintain and observe the principles above and at the same time incurred a loss most especially, if the number of clients they have is small. Therefore, scale is good for the microfinance institutions not only for the sec of haven many clients, but it helps them to be sustainable. After the conflict, clients may not be many due lack of enough economic activity, the extent of the trust in the early stage of the conflict and hence, good planning, monitoring and implementation after conflict most have to be incorporated as part of the significant principle of microfinance institutions.

2.5 Microfinance strategies in an area of conflict

In areas of conflict, microcredit institutions have to change some of their strategies and operational rules to suit the environment in the following areas as opined by Manalo (2003) and Desmond, Loupeda et al., (2006):

1. Manage increase risk for clients, assets and staff by insuring their properties.
2. To manage the problem of staffing when the staff and management flee or possibly got a job somewhere else as a result of the conflict in the area, microfinance institutions should be ready to recruit and train staff on how to work in conflict areas.
3. To manage rise in daily administrative and operational costs due to the increasing need for more monitoring and underwriting costs.
4. To manage lack of trust in the community economic and institution as a result of conflict, by making loans and other service available to the people in the community.
5. To manage unfriendly nature of the market as a result of the immediate change in the type and level of economic activities by training the people to know what type of business to do at that moment that will be marketable.

6. To manage the balance sheet because it will expose microfinance to more risk and return on investment will decrease as a result of decrease in productivity of the staff, reduce revenue, theft and loss of physical and financial assets as well as decrease in repayment of loans.

2.6 Why not to operate a microfinance in an area of conflict

FIFC (2003) gave the following reasons as to why microcredit institutions should not operate in an area of conflict:

- Lack of adequate security and dismantled infrastructures that hinder movement to trade and market areas.
- Bridge of law and order in the communities makes enforcement of loan repayment difficult.
- When government policies are not in favor of the displaced persons such as banning of business activities in the refugee camps.
- When the microcredit institutions do not have the technical ability to run their activities in a conflict affected area.
- When the number of people living in that area is small or negligible.
- When the microfinance institutions do not have enough fund to manage their programs continuously for a long time.
- When the economy of the place is not monetized.

2.7 Clients’ needs during and after conflict

Wilson (2002) identifies the following needs of the client during and even after the conflict to include:

1. The predominant things people do to survive is trading during and after the conflict
2. Savings in assets that can generate income after the conflict.
3. Use of natural endowment and labor in the household as the means of survival.
4. Return to use of land as a means of earning a living.

Wilson (2002) opined that during and after conflict most people go for different less risky business activity or low investment that will bring fast returns. The microcredit services people look for are those microloans that require constant repayments. Getting the services so easy from the microfinance institutions is the main factors that help the poor not low interest rate.

The real features of the products to be offered by microfinance institution during and after the conflict are: microloan and a savings (e.g $100), loans or credit services in kind most especially in the villages, regular time table for deposit or repayment (e.g daily or many period daily), short period (e.g one week), credit to be used for micro business or agriculture or income smoothing, individual credit and savings no group loans and meetings until after post conflict transition, varieties of credit should be given so that rich individuals can take loans since they cannot access the traditional banks, regular visit by the loan officers to give the clients accessibility to savings and credit, there is no rigidity in payment.

The feature of microfinance provider that is more valued during and after conflict is flexibility not rigidity, which accord quick access without problem to savings and credit. Microfinance providers that are experience and are always available knows the market very well, give products and services that is flexibility without given up the quality of its portfolio.
2.8 The Impact of conflict to microfinance

Microcredit has good intentions, however, conflict makes these institutions unable to carry out their plans as expected. As such microcredit institutions are seen battling to keep their regular operations in the communities they operate which has become unfriendly to them (Demond et al., 2006). Some of the impacts of conflict on microfinance institutions include:

- In areas of conflict, officers in charge of microloans devote a majority of their time chasing borrowers who have refused (or unable) to pay their loans when due, instead of seeking out new clients. Time is also devoted for assessment of loans by credit committee, causing an increase in administration costs.

- Conflict may cause microfinance to slash or cutback on programs which will affect income and growth when clients refused (or unable) to pay their loans. As a consequence, donors are not always so keen in giving more money to microfinance due to conflict.

- Decrease in operational profit and income due to the inability of clients in paying back their loans when due.

- Clients of microfinance operating in conflict areas face great physical risk. The conflict may distract or disrupt business activities at any time, or loss of goods and properties for fear of their lives.

- Conflict also encourages traders to shift from dealing with perishable to non-perishable goods even though they do not have the experience about this new business.

- Staff of microfinance, especially the loan officers and central office staff, finds it difficult to carry out their daily functions (site supervision and support). This may contribute to a decrease in the entitlement of the staff, or worst, unpaid salaries for months.

2.9 Challenges for microfinance used in conflict

Provision of microcredit to microenterprise is not the total answer during and after conflict. This is because microfinance requires technical help and marketing advice or guide to operate continuously apart from the microcredit in the period of the attack and even after. The cash saving of the clients have to be restored, healthcare services, infrastructures and protection from attack to continue with their normal business activities. For microcredit to yield positive results in their quest to reach the poor in conflict areas many thing have to be put in place as observed by Karen (1998) and Loving and Sandusky (2010) as follows:

Individuals or microenterprise should be able to give back the amount given to it as loan as at when due. The microenterprise that cannot be marketable during and after the conflict cannot be supported by the microcredit institution due to the fact that it may be difficult for the business to pay back the credit.

There should be a reasonable level of security existing in the area where microcredit is being distributed and used by the clients. An area without adequate security cannot be given loan by the microcredit institution because it is going to be very difficult to enforce repayment.

The number of people in that area must be many or enough to assist businesses to recover. Areas with high population density are more likely to receive credit than those areas with a population that is sparse. This is because clients in areas with high population will have market for their goods, unlike area that have low population because they will suffer from lack of demand from few and small markets.
The impact of conflict can deter the positive effect of microloans on the individual, households and the society as a whole, most importantly when there is health problem and the cost is very high. Microenterprise may likely be able to pay back the loan but not, as it will be when the burden of sickness is low or non existence.

Microcredit is not usually a long-term solution to conflict. But it serves as an avenue to build up savings and assets to be able to access the traditional banking institutions.

Outreach and sustainability setbacks: during conflict outreach to clients and financial sustainability suffers a lot where the staff has to take more time in going round to retrieve back the credit instead of reaching out to the poor. This has increase the cost of operation of microfinance institutions in the areas, and hence, there is fall in income as a result of the decrease in demand (Larson, 2002).

The ability of the microfinance to be able to match supply and demand and maintain sustainability during and after a conflict due to the increase in demand as a result of increase in the number of the poor due to the crisis post a problem due to lack of fund (Heen, 2004).

3. Conclusion

Conflict is a situation that causes destruction of life and properties, business, forced migration, and loss of employment. If not stopped, it can lead to conflict in the host nation of the refugees as well as increase the number of people that are living in poverty. For microfinance to operate in a conflict area, it must initiate and implement plans that will assist it carry out functions by securing its physical assets and staff, establish a data recovery and backup system, diversify its loan portfolio, expand it services to include micro insurance and savings. Microfinance should be able to assist its customers to foresee and be ready for any disaster by encouraging compulsory deposits or savings to help the victims of conflict to have access to funds immediately. Lastly, conflict leads to decrease in productivity of the staff, revenue or income and loss of properties both physically and financial for the clients and the microfinance institutions and hence, issuance of microloan and loans repayment also decrease.

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A Staged Process for Staff Readiness for Successful Knowledge Management

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ABSTRACT

Knowledge Management has emerged as a new discipline in recent years to enable organizations to better manage their knowledge resources and is currently one of the most controversial management concepts discussed in academia. This investigation is among the first empirical studies to examine the few Malaysian KM pioneer organizations that have established KM departments which are at different stages of KM maturity and compare their efforts to prepare the readiness of their human resources to adopt knowledge management.

Keywords: Knowledge Management, KM readiness

INTRODUCTION

Knowledge Management is of particular importance to Malaysia as it can potentially help the country to develop new areas of growth in knowledge-intensive economic sectors to support the achievement of its vision of attaining a developed nation status by 2020. The World Bank’s current threshold for developed or high-income economies is nearly US$12,000 (RM37,500) and is projected to reach US$17,000 (RM53,000) by 2020 while Malaysia’s per capita income is around RM28,000 as at end-2011. In the 1990s, the Malaysian economy grew at an average 7.2% but slowed to an average 5.0% from 2000 to 2011. Malaysia must achieve higher growth rates over the next decade in order to reach high income status by the year 2020 by producing higher value added products and services that have greater knowledge intensity. By implementing Knowledge Management, Malaysian organizations will be able to more effectively manage their knowledge resources, which are the most strategic assets that drive value creation in today’s knowledge economy.

LITERATURE REVIEW

Although the adoption of Knowledge Management (KM) in Malaysian organizations is important for the country’s future development, there are very few Malaysian companies which have initiated any formal Knowledge Management programs (Quah, 2008). Another Malaysian study on the electrical and electronics sector in the country also found that most Malaysian companies did not have a clearly defined approach to the management of knowledge resources in their organizations (Kumar, 2003). Most Malaysian organizations have not undertaken a more explicit and formal approach in the management of knowledge due to a number of reasons, including the low level of KM readiness among individual Malaysians to participate in the knowledge-based economy (Cheng, Hossain, & Guo, 2009). In this study, KM readiness is defined as the ability of an organization, department or work group to successfully adopt, use and benefit from KM (Mohanavel & Ravindran, 2012) while
KM is defined as the explicit control and management of knowledge to achieve company’s objectives (Van der Spek & Spijkervet, 1997).

As knowledge assets are inputs of knowledge processing activities (Nonaka, Toyama, & Nagata, 2000), the preparation of the readiness of KM assets as inputs or enablers of KM processes is a necessary ‘precondition’ for KM implementation. KM researchers have pointed out that Knowledge Management initiatives often fail because organizations tend to view knowledge assets too narrowly. Knowledge assets do not just comprise knowledge that is already created but also include social or relationship capital, interpersonal skills, trust and care which are also important enablers as well as inputs in Knowledge Management processes (Nonaka, Toyama, & Konno, 2000). The effective implementation of Knowledge Management also depend the connections between employees (Nonaka & Takeuchi, 1995) and organizations (McDermott, 1999). Qualified and dedicated human resources are required for a successful KM effort (Parker, Nitse, & Flowers, 2005). The most valuable organizational knowledge is essentially embedded inside the minds of employees and stakeholders (Lai & Chu, 2002). In order to successfully implement KM, non-KM managers would also need to be sensitized to KM principles and practices as KM organizations require a different human resources management approach and skills (Yahya & Goh, 2002). KM require significant changes that cannot be achieved in one great step (Rowley, 2000). In view of the aforementioned, the objective of this study is to formulate a staged framework or progression road map on the activities that need to be undertaken by an organization to prepare the organization’s human resources and stakeholders to adopt KM initiatives.

**METHODOLOGY**

Since Knowledge Management represents an emerging discipline whose theories are unclear and often times confusing, this study employed the qualitative approach using a multiple case study design operating within the critical realism research paradigm to attain the research objectives. This investigation is among the first empirical studies on the few Malaysian KM pioneer organizations that have created formal KM positions or units within their organizations and among the first to examine and compare KM stakeholder readiness preparatory activities of Malaysian KM organizations which are at different stages of KM maturity. The cases that were selected for this study are five large organizations that were chosen based on purposive sampling design and practical considerations. From the practical perspective, these cases were selected because of the willingness of the case organizations to allow their employees to participate in this research and therefore enabling the researcher’s accessibility to the organizations. Anonymity was promised to the companies as well as the respondents who participated in this study.

The five case organizations that were selected from the study population in this investigation were also chosen based on a number of considerations as listed below:

- All the cases in this study are organizations which are based in Malaysia and majority Malaysian-owned. This screening criterion was adopted based on the consideration that this may lead to the discovery of a distinct collection of KM elements or peculiar knowledge management practices which are likely to be “home grown KM practices” that are unique to Malaysia.
- All the cases in this study are large organizations with more than 200 employees. This screening criterion was adopted in view of the suggestion by KM scholars that Knowledge Management is particularly relevant for large organizations and would manifest the phenomenon intensely. A study by Serenko, Bontis and Hardie (2007) found that as the size of an organizational unit increases, the effectiveness of internal knowledge flows dramatically
diminishes and suggested that a unit with more than 150 employees will need formal KM practices. According to Davenport and Prusak (1998), companies with more than two hundred staff are too large for their people to have a grasp of collective organizational knowledge.

- In this study, the cases selected were also guided by “people who know people who know which cases are information rich”, i.e. the snowball or chain sampling approach. For example cases C and D were selected based on the recommendations made by informants in cases A and B who described case C as more advanced in its KM efforts as compared to their own organizations and case D as one of the most advanced KM organizations in Malaysia.

- All case organizations have designated KM staff or have established KM units or departments.

- From the theoretical perspective, the organizations were also selected on the basis of their respective KM maturity levels. Each of the selected organizations was at a different level of KM development or KM maturity as indicated in the following table.

### Table 3.1: Characteristics of the selected organizations in this multiple case study

<table>
<thead>
<tr>
<th>Case</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td>KM Maturity stage</td>
<td>Level 1</td>
<td>Level 2</td>
<td>Level 3</td>
<td>Level 4</td>
</tr>
<tr>
<td>Characteristic of KM advancement at case study organization</td>
<td>No KM department as yet but staff with KM designation has been appointed by Department head. KM is not organization wide but confined to department where the KM staff is located.</td>
<td>KM department is newly formed with mandate to introduce organization wide. Organization wide KM activities are being rolled out</td>
<td>KM department has long been formed and well established. KM activities are well integrated into organizational routines and practices.</td>
<td>One the earliest and most recognized KM organizations in Malaysia. Acknowledged by respondents from case organizations A, B and C as more advanced in KM implementation than their own organizations. Board level committee on KM exists.</td>
</tr>
<tr>
<td>No of employees</td>
<td>Several tens of thousands employees</td>
<td>Several hundred employees</td>
<td>Several tens of thousands employee</td>
<td>Several thousand employees</td>
</tr>
<tr>
<td>Industry</td>
<td>Financial industry</td>
<td>Investment holding company</td>
<td>Financial industry</td>
<td>Financial industry</td>
</tr>
</tbody>
</table>
**FINDINGS AND DISCUSSION**

The case organizations in this study have all highlighted that the lack of awareness and understanding of Knowledge Management concepts and principles among employees and stakeholders is a major barrier in their efforts to implement Knowledge Management. This is in line with the findings of a recent study by Cheng et al (2009) which reported that the “social acceptance and readiness of Malaysians for the knowledge-based economy is still low”.

The activities undertaken by the organizations in this study which aim to enhance the readiness of the organizational actors in the implementation of KM include the following:

- Developing and promoting closer relationships among staff, stakeholders and partners by holding networking events, promoting internal communications, creating “staff finder” directory etc
- Increasing IT literacy among older staff in preparation for introduction of KM IT systems.
- Training staff to perform KM routines such as updating, uploading and crafting of KM content related to their respective functions onto KM portal
- Creating staff who know who “external contacts” management system
- Ensure availability of KM trained professionals and expertise in the organization by recruiting new employees with KM skills and training, holding briefings and fairs on KM practices to create awareness and educate staff on KM, selecting and training of KM champions in non-KM departments, creating staff awareness and understanding on KM etc
- Developing staff collaboration skills and ability to work in teams.
- KM familiarization program for new staff
- Garnering top management support on KM.
- Overcoming skepticism on KM among staff
- Increasing buy-in by top management and staff on KM.
- Lobbying HR to include KM in staff performance assessment, revamp policies to cater to the needs of the knowledge worker.
- Sustaining staff interest in KM
- Changing managerial mindset on management of knowledge workers
This study found that the establishment of a dedicated unit for implementing Knowledge Management and the availability of trained KM professionals are important enablers in implementing formal Knowledge Management. The KM unit greatly facilitates the ability of the organization’s employees to adopt KM processes. This is consistent with the view of KM scholars that although a ‘chief knowledge officer’ may not always be necessary (Cole-Gomolinski, 1999), successful Knowledge Management is usually characterized by a designated individual manager in charge of the Knowledge Management function (Davenport et al., 1998; Earl & Scott, 1999).

The organizations in this study which are at different levels of KM maturity have different emphasis with regard to activities to increase the readiness of the organization’s stakeholders to participate in their KM implementation efforts. The differences in stakeholder KM readiness preparatory activities of the case organizations in this study is provided in Table 2.

<table>
<thead>
<tr>
<th>Table 2: Staged process for preparing the readiness of human resources for implementing knowledge management</th>
</tr>
</thead>
</table>
| **Stage 1**  | Case A | • Overcoming skepticism on KM among staff and eliminating staff knowledge hoarding mindset.  
• Securing top management support on KM as top management is unconvinced on the benefits of KM |
| **Stage 2**  | Case B | • Recruitment of staff with KM qualifications and expertise  
• Seeking top management involvement for KM activities as top management supports and provides resources for KM but has little involvement in KM activities.  
• Educating staff on KM activities by producing KM guidelines.  
• Encouraging staff to participate in KM activities by introducing incentives. |
| **Stage 3**  | Case C | • Developing KM quick win projects to secure staff and top management buy-in and participation in KM activities.  
• Top management not only endorses but also participates in KM activities.  
• Promoting closer relations among staff to enhance communication and knowledge flows within the organization.  
• Promoting use of KM IT tools among older staff.  
• Organizing KM familiarization program for new staff. |
| **Stage 4**  | Case D | • Providing support to board-level KM Committee to develop overall vision and long term plan for KM.  
• Sustaining staff interest in KM and updating staff with new KM skills and techniques.  
• Preparing external stakeholders to participate in organization’s external KM network. |

**CONCLUSIONS**

KM is an emerging discipline with its own unique and compelling value proposition. KM helps managers to address new challenges that have emerged in the knowledge based economy. This study on the experiences of KM pioneer organizations in Malaysia has advanced a staged process for
preparing the KM readiness of human resources to guide Malaysian companies in their initiatives to implement Knowledge Management.

REFERENCES


ABSTRAK

ABSTRACT

Today’s world business competition become more open and challenging. This situation demands the organizations more focused to evaluate their role of internal factor such as value and work environment become more quality and competitive advantage. This study was undertaken to explore the influence of organizational climate in the relationship between organizational culture and high performance work system. A cross-sectional survey was performed to identify the current scenario of internal perception among 187 employees in Malaysian broadcasting industry. Result from hierarchy multiple regression analysis showed that there were significant interaction between organizational culture and organizational climate with high performance work system. The findings of this study confirm that the organizational climate acted as a moderator for high performance work practice in the organization. Results suggest that greater use of high performance work practice is associated with positive organizational culture and climates.

Kata kunci: budaya organisasi, iklim organisasi, amalan kerja berprestasi tinggi

1.0 PENGENALAN

Syarikat-syarikat di negara ini perlu meneliti implikasi komitmen Malaysia terhadap pembentukan aliran baru perdagangan dunia menerusi liberalisasi perdagangan yang diutarakan oleh Pertubuhan Perdagangan Dunia (WTO) dan Kawasan Perdagangan Bebas ASEAN (AFTA), dan Perjanjian Perdagangan Bebas (FTA). Organisasi perlu bergerak sebalikkan dengan perubahan persekitaran perniagaan ini. Peralihan kepada strategi yang didorong oleh kemahiran dan teknologi bagi memperkukuhkan daya tahan dan daya saing industri perlu diperincikan oleh setiap organisasi di negara ini. Bagi memastikan sesuatu organisasi mampu memiliki ciri-ciri tersebut, sesuatu organisasi perlu membuat penilaian ke atas keupayaan serta kesediaan sumber mereka dengan tuntutan semasa iaitu memiliki keupayaan sebenar untuk bersaing. Purcell, Kinnie, Hutchinson, Royton, dan Swart (2003), percaya bahawa aset tidak nampak organisasi seperti budaya, kemahiran dan kompetensi, motivasi dan interaksi sosial antara pekerja, pasukan dan unit perniagaan menyumbang ke arah peningkatan kekuatan organisasi mereka.

Sebenarnya kedudukan daya saing sebuah negara bukan sahaja ditentukan oleh faktor-faktor input tetapi juga nilai dalam organisasi seperti keupayaan organisasi mewujudkan budaya organisasi yang benar-benar dapat menterjemahkan situasi organisasi selari dengan matlamat negara. Ini kerana dalam era dunia tanpa sempadan, pembangunan sumber manusia adalah penting bagi menyokong pembangunan ekonomi berasaskan pengetahuan. Negara berusaha membina teras pembangunan sumber manusia bagi menyediakan tenaga kerja yang berupaya menghadapi cabaran-cabarannya berasaskan pengetahuan serta dilengkapi dengan kemahiran pasaran. Chen (2004), menyanyarkan bahawa perubahan semasa persekitaran organisasi memerlukan mereka memiliki pekerja yang berpengetahuan dan berkemahiran tinggi, malahan dalam masa yang sama mereka mampu membuat adaptasi terhadap perubahan teknologi yang pesat. Di Malaysia, fenomena perubahan persekitaran tersebut turut menarik perhatian banyak organisasi, dan mereka mengambil keputusan melaksanakan proses penjenamaan semula sama ada produk, perkhidmatan atau organisasi seperti yang dilaksanakan oleh TELEKOM, Bank Simpanan Nasional, Jabatan Perkhidmatan Awam dan Media Prima. Ini kerana perubahan dalam strategi memerlukan analisis secara lebih mendalam ke atas set nilai, kepercayaan dan corak tingkah laku yang akan memberi panduan setiap hari ke atas prestasi organisasi, termasuk faktor budaya organisasi yang mempunyai pengaruh kuat ke atas perubahan tersebut.


Kejayaan sesebuah organisasi akan bergantung kepada sejauh mana kekuatan budaya organisasinya mengalakkan dan membentuk pembangunan pekerja ke arah kompetensi yang tinggi di kalangan pekerja yang mampu memberi impak positif kepada prestasi organisasi. Budaya organisasi yang berjaya akan menawarkan persekitaran kerja yang mengalakkan pekerja bersedia dengan cabaran-cabarannya semasa, bermotivasi dan diberi ganjaran yang positif ke atas prestasi dan sumbangan mereka kepada kejayaan organisasi. Oleh itu, budaya organisasi yang sesuai dan tepat merupakan faktor penting yang akan membantu kejayaan organisasi kerana setiap ruang operasi organisasi adalah meneruskan manusia dan sumbangan mereka yang akan menentukan kejayaan sesebuah organisasi. Natijahnya, ia merujuk kepada keadaan di mana pekerja adalah mereka yang bekerja dalam organisasi.

2.0 ULASAN KAJIAN LEPAS

2.1 Budaya Organisasi


Ramai penyelidik telah mengemukakan pelbagai dimensi budaya organisasi dalam kajian mereka, di mana terdapat 114 dimensi budaya organisasi telah dikenalpasti oleh pengkaji-pengkaji budaya organisasi seperti resolusi konflik; pengurusan budaya; berorientasikan pelanggan; kecenderungan untuk berubah; penglibatan pekerja; kejelasan matlamat; berorientasikan sumber manusia; identifikasi dengan organisasi; kuasa sebenar; gaya pengurusan; fokus organisasi; integrasi organisasi; berorientasikan prestasi; berorientasikan ganjaran; dan struktur tugas. (Van der Post, Coning dan Smith 1997). Walau bagaimanapun, kajian ini menggunakan dimensi yang dikemukakan oleh van der Berg dan Wilderom (2004), iaitu autonomi kerja, berorientasikan persekitaran luaran, berorientasikan sumber manusia, berorientasikan penambahbaikan dan berorientasikan koordinasi antara jabatan.
2.2 IKLIM ORGANISASI


Hasil daripada sorotan karya yang dilakukan oleh Ostroff, Kinicki dan Tamkins (2003) mendapatkan sehingga akhir tahun 1970, terdapat sejumlah 18 elemen terdapat dalam dimensi iklim organisasi yang telah dikenali dan digunakan oleh penyelidik-penyelidik terdahulu. Kesemua 18 dimensi itu ialah struktur, ganjaran, risiko, kemesraan, sokongan, standard, konflik, identiti, bersifat demokiasi, bersifat autokrasi, bersifat menyokong, bersifat inovatif, hubungan rakan sekerja, kerjasama, kenderungan bersatu padu dan tekanan. Oleh itu, keputusan untuk menggunakan dimensi iklim organisasi dalam kajian adalah bergantung kepada tujuan kajian dan interpretasi yang dijalankan (Schulte, Ostroff dan Kinicki, 2006). Sehubungan itu, definisi iklim organisasi dalam skop kajian ini merujuk kepada persepsi pekerja terhadap ciri-ciri sistem organisasi iaitu berkaitan dengan polisi, amalan dan prosedur organisasi; yang akan membentuk persekitaran pekerjaan dalam organisasi tersebut. Ianya meliputi i) organisasi kerja merujuk kepada darjah hubungan kaedah kerja yang diamalkan oleh individu dengan amalan kerja dalam organisasi; ii) aliran komunikasi ialah arah aliran informasi dan perkongsian yang diamalkan dalam organisasi; iii) pembuatan keputusan, pengaruh dan kawalan polisi merujuk kepada kaedah pembuatan keputusan dan penglibatan lapisan pekerja dalam aktiviti tersebut; dan iv) amalan birokrasi adalah merujuk kepada kenderungan pembentukan halangan pentadbiran dalam fungsional organisasi (Denison 1996).

2.3 AMALAN KERJA BERPRESTASI TINGGI

mannusia, struktur dan proses kerja yang memaksimumkan pengetahuan, kemahiran, komitmen dan fleksibiliti pekerja ke arah menyumbang daya saing organisasi (Bohlander & Snell, 2010).

3.0 METODOLOGI KAJIAN

3.1 POPULASI DAN SAMPEL KAJIAN


3.2 PENGUKURAN


4.0 DAPATAN KAJIAN

4.1 DEMOGRAFI KAJIAN

Sebanyak 450 set soal selidik diedarkan dan sejumlah 187 (41.6%) set soal selidik telah dikembalikan. Kesemua soal selidik adalah lengkap dan digunakan untuk analisis data. Taburan responden kajian menunjukkan bahawa majoriti subjek terdiri daripada mereka yang berumur 30 ke atas (73.3%), perempuan (53.5%), berpendidikan peringkat institut pengajian tinggi (62.1%), tempoh berkhidmat kurang daripada 11 tahun (64.2%), jabatan televisyen (50.8%), bertugas dalam kategori bukan teknikal (54.5%), bekerja dalam kategori pengoperasian (55.1%) dan menjawat jawatan dalam
kategori sokongan (55.1%). Maklumat terperinci profil demografi subjek dikemukakan dalam Jadual 1.0.

**JADUAL 1: Profil Demografi Subjek Kajian (n= 187)**

<table>
<thead>
<tr>
<th>Pembolehuabah Demografi</th>
<th>Kekerapan</th>
<th>Peratusan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Umur</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kurang 20 tahun</td>
<td>2</td>
<td>1.1</td>
</tr>
<tr>
<td>20 hingga 29 tahun</td>
<td>48</td>
<td>25.6</td>
</tr>
<tr>
<td>30 hingga 39 tahun</td>
<td>111</td>
<td>59.4</td>
</tr>
<tr>
<td>40 hingga 49 tahun</td>
<td>23</td>
<td>12.3</td>
</tr>
<tr>
<td>50 dan ke atas</td>
<td>3</td>
<td>1.6</td>
</tr>
<tr>
<td>Jantina</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lelaki</td>
<td>87</td>
<td>46.5</td>
</tr>
<tr>
<td>Perempuan</td>
<td>100</td>
<td>53.5</td>
</tr>
<tr>
<td>Tahap Pendidikan</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sijil Rendah Pelajaran</td>
<td>2</td>
<td>1.1</td>
</tr>
<tr>
<td>Sijil Pelajaran Malaysia</td>
<td>51</td>
<td>27.3</td>
</tr>
<tr>
<td>Sijil Tinggi Persekolahan Malaysia</td>
<td>18</td>
<td>9.6</td>
</tr>
<tr>
<td>Diploma</td>
<td>39</td>
<td>20.9</td>
</tr>
<tr>
<td>Sarjana Muda</td>
<td>71</td>
<td>38.0</td>
</tr>
<tr>
<td>Sarjana</td>
<td>6</td>
<td>3.2</td>
</tr>
<tr>
<td>Tempoh</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kurang setahun</td>
<td>17</td>
<td>9.1</td>
</tr>
<tr>
<td>1 hingga 5 tahun</td>
<td>48</td>
<td>25.7</td>
</tr>
<tr>
<td>6 hingga 10 tahun</td>
<td>55</td>
<td>29.4</td>
</tr>
<tr>
<td>11 hingga 15 tahun</td>
<td>45</td>
<td>24.1</td>
</tr>
<tr>
<td>16 hingga 20 tahun</td>
<td>12</td>
<td>6.4</td>
</tr>
<tr>
<td>Lebih 20 tahun</td>
<td>10</td>
<td>5.3</td>
</tr>
<tr>
<td>Jabatan Tempat</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jabatan Radio</td>
<td>44</td>
<td>23.5</td>
</tr>
<tr>
<td>Jabatan Televisyen</td>
<td>95</td>
<td>50.8</td>
</tr>
<tr>
<td>Jabatan Umum</td>
<td>48</td>
<td>25.7</td>
</tr>
</tbody>
</table>

4.2 ANALISIS FAKTOR

Hasil daripada analisis faktor ke atas pemboleh ubah-pemboleh ubah kajian, terdapat enam faktor budaya organisasi, satu faktor iklim organisasi dan satu faktor bagi amalan kerja berprestasi tinggi. Hasil analisis faktor juga telah menggugurkan dua item masing-masing bagi dimensi budaya organisasi dan amalan kerja berprestasi tinggi. Ini ditunjukkan menerusi Jadual 3.0 di bawah.
<table>
<thead>
<tr>
<th>Pemboleh ubah</th>
<th>KMO</th>
<th>Barlet’s Test of Sphericity (sig)</th>
<th>Jumlah Peratusan Kumulatif Varian</th>
<th>Bilangan Item</th>
<th>Ujian Kebolehpencayaan (α)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budaya Organisasi</td>
<td>0.844</td>
<td>0.00</td>
<td>71.584%</td>
<td>28</td>
<td>0.933</td>
</tr>
<tr>
<td>Faktor 1: Berorientasikan Penambahbaikan Produk</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Faktor 2: Berorientasikan Kehendak Pelanggan</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Faktor 3: Berorientasikan Kualiti Pekerja</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Faktor 4: Berorientasikan Kebebasan Melaksanakan Kerja</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Faktor 5: Berorientasikan Persepsi Ke Atas Pekerja</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Faktor 6: Berorientasikan Kerjasama Antarab jabatan</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Faktor 1: Iklim Organisasi</td>
<td>0.814</td>
<td>0.00</td>
<td>56.647%</td>
<td>17</td>
<td>0.837</td>
</tr>
<tr>
<td>Faktor 1: Amalan Kerja Berprestasi Tinggi</td>
<td>0.809</td>
<td>0.00</td>
<td>57.947%</td>
<td>11</td>
<td>0.904</td>
</tr>
</tbody>
</table>

4.3 ANALISIS REGRESI BERTINGKAT

Hasil analisis regresi berganda bertingkat menunjukkan peranan iklim organisasi ke atas hubungan budaya organisasi dan amalan kerja berprestasi tinggi. Nilai $R^2$ dalam Model 1 berdasarkan Jadual 5.0 ialah .514, dan apabila pemboleh ubah iklim organisasi dimasukkan dalam Model 2, nilai $R^2$ berubah kepada .529. Manakala dalam Model 3 iaitu hasil daripada kesan interaksi menunjukkan nilai $R^2$ berubah kepada .639. Ini bermakna dalam Model 2, kehadiran iklim organisasi, merubah nilai $R^2$ sebanyak 1.5% dan dalam Model 3 pula $R^2$ menunjukkan peningkatan sebanyak 10.9% apabila proses interaksi antara pemboleh ubah tidak bersandar dan pemboleh ubah penyederhanaan berlaku. Perubahan dalam $R^2$ ini menunjukkan bahawa terdapat kesan penyederhanaan iklim organisasi ke atas hubungan antara budaya organisasi dan amalan kerja berprestasi tinggi. Seterusnya daripada Jadual 6.0 juga menunjukkan bahawa semua nilai $F$ bagi setiap model adalah signifikan pada aras keertian $p < .05$ dan ini membuktikan bahawa terdapat hubungan secara signifikan antara amalan kerja berprestasi tinggi, budaya organisasi dan iklim organisasi. Nilai $F$ yang signifikan menjelaskan bahawa interaksi pemboleh ubah bebas dan penyederhanaan adalah disahkan kehadirannya dalam meramalkan hubungan budaya organisasi dan amalan kerja berprestasi tinggi.

JADUAL 5.0: Keputusan Analisis Regresi Berganda Bertingkat bagi Iklim Organisasi ke atas Hubungan Dimensi Budaya Organisasi dan Amalan Kerja Berprestasi Tinggi

<table>
<thead>
<tr>
<th>Item</th>
<th>Model 1</th>
<th>Model 2</th>
<th>Model 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>$R^2$</td>
<td>.514</td>
<td>.529</td>
<td>.639</td>
</tr>
<tr>
<td>$R^2$ terlaras</td>
<td>.498</td>
<td>.511</td>
<td>.611</td>
</tr>
<tr>
<td>$\Delta R^2$</td>
<td>.514</td>
<td>.015</td>
<td>.109</td>
</tr>
<tr>
<td>Nilai $F$</td>
<td>31.789</td>
<td>28.757</td>
<td>23.513</td>
</tr>
<tr>
<td>sig. $\Delta F$</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
</tbody>
</table>
JADUAL 6.0: Keputusan Analisis Regresi Berganda Bertingkat bagi Kesan Interaksi Iklim Organisasi ke atas Hubungan Dimensi Budaya Organisasi dan Amalan Kerja Berprestasi Tinggi

<table>
<thead>
<tr>
<th>Sumber</th>
<th>Beta</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Berorientasikan Penambahbaikan Produk (BO1)</td>
<td>-0.818</td>
<td>-2.067</td>
<td>0.040**</td>
</tr>
<tr>
<td>Berorientasikan Kehendak Pelanggan (BO2)</td>
<td>0.548</td>
<td>1.538</td>
<td>0.126</td>
</tr>
<tr>
<td>Berorientasikan Kualiti Pekerja (BO3)</td>
<td>-1.363</td>
<td>-4.008</td>
<td>0.000**</td>
</tr>
<tr>
<td>Berorientasikan Kebebasan Melaksanakan Kerja (BO4)</td>
<td>-0.397</td>
<td>-1.138</td>
<td>0.257</td>
</tr>
<tr>
<td>Berorientasikan Persepsi ke atas Pekerja (BO5)</td>
<td>0.552</td>
<td>1.500</td>
<td>0.136</td>
</tr>
<tr>
<td>Berorientasikan Kerjasama antara Jabatan (BO6)</td>
<td>2.204</td>
<td>6.253</td>
<td>0.000**</td>
</tr>
<tr>
<td>Iklim Organisasi</td>
<td>-0.200</td>
<td>-0.609</td>
<td>0.543</td>
</tr>
<tr>
<td>BO1*IK</td>
<td>1.530</td>
<td>2.077</td>
<td>0.039**</td>
</tr>
<tr>
<td>BO2*IK</td>
<td>-0.489</td>
<td>-0.879</td>
<td>0.380</td>
</tr>
<tr>
<td>BO3*IK</td>
<td>2.350</td>
<td>4.504</td>
<td>0.000**</td>
</tr>
<tr>
<td>BO4*IK</td>
<td>0.858</td>
<td>1.442</td>
<td>0.151</td>
</tr>
<tr>
<td>BO5*IK</td>
<td>-0.620</td>
<td>-1.519</td>
<td>0.131</td>
</tr>
<tr>
<td>BO6*IK</td>
<td>-3.009</td>
<td>-5.352</td>
<td>0.000**</td>
</tr>
</tbody>
</table>

**p<0.05

Analisis berganda regresi bertingkat juga mendapati bahawa terdapat kesan interaksi yang signifikan di antara budaya organisasi berorientasikan penambahbaikan produk [ t = 2.077, p < 0.05], budaya organisasi berorientasikan kualiti pekerja [ t = 4.504, p < 0.05] dan budaya organisasi berorientasikan kerjasama antara jabatan [ t = -5.352, p < 0.05] dengan iklim organisasi ke atas amalan kerja berprestasi tinggi. Lain-lain dimensi budaya organisasi tidak mempunyai kesan interaksi yang signifikan dengan iklim organisasi ke atas amalan kerja berprestasi tinggi.

5.0 PERBINCANGAN DAN RUMUSAN

serta mentadbir tanggungjawab tersebut. Ini dijelaskan menerusi kajian dimensi budaya organisasi berorientasikan persepsi ke atas pekerja yang mempunyai hubungan korelasi negatif yang signifikan dan tahap hubungannya adalah pada tahap yang sangat lemah terhadap amalan kerja berprestasi tinggi. Jika persepsi ke atas prestasi pekerja adalah negatif, maka pekerja akan membuat tanggapan bahwa nilai yang dipegang oleh organisasi terhadap mutu kerja yang mereka laksanakan adalah negatif dan akhirnya berlaku konflik dalam pekerja yang menurut kepada tindakan meninggalkan organisasi.


RUJUKAN


Laporan Prestasi Industri, 2006


ABSTRACT

Insurance represents an important business segment in the Malaysian economy. In particular, the takaful firms are viewed to play a key role in Malaysian insurance industry. Despite the importance of takaful firms, the literature reveals research on takaful firms remained limited as well as neglected. More specifically, a review of the business literature in Malaysia reveals that very few studies have attempted to determine the relationships between business strategy, leadership styles and performance of takaful firms. This study attempts to address this research issue. The data for the study was collected from 196 Takaful Agency Leaders by using mail questionnaires. Results of the study indicate significant positive relationships between business strategy, leadership styles and performance of the takaful firms.

KEYWORDS: Takaful Firms; Business Strategy; Leadership Styles; Performance

INTRODUCTION

The first takaful firm in Malaysia was introduced in 1984. Presently, there are 12 takaful operators in the country. Since it was first introduced, takaful or Islamic insurance has gained much acceptance and experienced remarkable growth as an industry. In terms of growth, it has been estimated that the takaful industry has been growing at the rate of between 20 to 25 percent annually. More significantly, the world takaful industry was estimated to be valued at US$2 billion (RM6 billion) in the year 2010. The global takaful market is projected to be worth US$11 billion (RM34 billion) by the year 2015 (New Straits Times, October 4, 2010).

Recently, it was reported that the takaful industry in Malaysia grew by 24 percent in 2011 and the industry was valued at RM4.5 billion. Based on this significant growth, Malaysia was ranked the second largest takaful market in the world after Saudi Arabia. In addition, it has been projected that the takaful industry in Malaysia is expected to be worth RM7.64 billion in the year 2012 (Business Times, New Straits Times, July 17, 2012).

Surprisingly, despite the tremendous growth of the takaful firms in the Malaysian economy, there is not much information about these firms. More specifically, as an area of research, takaful firms have not received much research attention. As a result, not much is known about the way the takaful firms are being managed. Given their importance to the national economy and limited information concerning the takaful firms, more focused research efforts are needed in the area.

One interesting area of research would be to investigate the relationships between business strategy, leadership styles and performance of the takaful firms in Malaysia. The importance of business strategy and leadership to organizational performance has long been emphasized in the literature. Despite the increased knowledge in business strategy and leadership and their importance to the
takaful firms, not much is known about the business strategy and leadership styles adopted and their linkage to the performance of the takaful firms.

In view of the importance of takaful firms to the Malaysian economy and the lack of information concerning their business strategy, leadership styles and performance, more focused research needs to be undertaken. This study attempts to address this issue by examining the relationships between business strategy and performance of takaful firms presently operating in the Malaysian takaful industry.

LITERATURE REVIEW

Previous studies have indicated the important role of business strategy in determining the success of organizations. Business strategy has been commonly viewed as the manner in which a firm decides how to compete, pursue, achieve and maintain its competitive advantage in a particular industry (Walker and Ruekert, 1987; Rue and Holland, 1989; Mintzberg and Quinn, 1991; Varadarajan and Clark, 1994; Lynch, 1997; Harrison, 2003; Pitts and Lei, 2003; Sanchez and Heene, 2004; Hunger and Wheelen, 2007; and Hashim, 2008).

Over the years, numerous studies have also provided evidence that indicate that firms which employed a specific business strategy that align with their business environment were able to outperform their competitors (Hofer and Schendel, 1978; Wood and Laforge, 1979; Galbraith and Schendel, 1983; Lee, 1987; Green, 1988; Mosakowski, 1993; and Kotha and Nair, 1995; Mankins & Steele, 2005; McGrath & MacMillan, 2005; Greenwald & Kahan, 2005; Kaplan & Norton, 2005; and Lee, Johnson, Gahring & Lee, 2008).

Porter (1980) recommended three types of generic business strategies. These strategies are; low cost, differentiation, and focus or niche. A firm can develop the low cost strategy by increasing its sales and profits through economics of scales, scope and technology. In developing the differentiation strategy, the firm is required to emphasize on differentiating its products and services by developing different ways to make them appear unique as well as different. In the case of a niche or focus strategy, the firm needs to focus on product development and marketing efforts in a specific market segment that has cost or differentiation as an advantage.

Galbraith and Schendel (1983) examined the appropriateness of firms adopting different type of business strategies in different industrial settings. In the study, six strategies (harvest, build, cash-out, niche, climber, and continuity) were identified for firms in the consumer markets and another four strategies (low commitment, growth, maintenance, and niche) for firms in the industrial markets. Results of the study indicated that the build strategy and growth strategy were appropriate for the consumer market and industrial markets, respectively. In addition, the results of the study showed that the niche strategy to be suitable for both markets.

In the context of real estate development industry, the study by Green (1988) identified three specific business strategies. The three business strategies included; a short-term strategy in which the real estate firm adapts to the swings in the market, enters and exists at the right moment; a long-term strategy where the real estate firm focuses on quality properties and accumulating cash reserves or a strong cash flow position by diversification to ensure continuity; a strategy that would combined the two earlier strategies.

Siram and Anikeeff (1991) also investigated the business strategy being used by real estate firms. In the study, the researchers adopted the strategic group analysis framework developed by Miles and
Snow (1978). The Miles and Snow’s framework classified firms into strategic groups based on intended product-market strategies. In the study, Miles and Snow’s three strategy types were applied. The three strategies are; defender (sell a narrow range of products in a narrowly defined market, analyzer type A (provide a narrow range of products to a broad market, analyzer type B (offer a broad spectrum of products to a narrow market, and prospector (provide a broad range of products to a broad spectrum of markets).

Hashim (2000) investigated the relationships between business strategies adopted by small and medium-sized enterprises (SMEs) in Malaysia. The study collected data from 100 SMEs that represented more than 19 industries and used six business strategies. The results of the study demonstrated that 30 of the 100 SMEs adopted the product differentiation strategy, another 26 firms used the low cost strategy, the other 18 firms employed the niche strategy, another 17 utilized the growth strategy, six followed the harvest strategy and the remaining three firms selected the vertical integration strategy. In addition, the results of the study showed that there was a difference in the performance of the firms as measured in terms of business performance composite index (BPCI), return on investment (ROI) growth, and return on assets (ROA) among the firms that adopted niche, differentiation and low cost strategies.

More recently, Hashim and Zakaria (2010) examined the association between the business strategies and performance of small and medium manufacturing firms (SMMFs). By adopting six business strategies, the study gathered the data from 125 SMMFs. The results indicated that 28 firms used the niche strategy, another 25 employed the low cost strategy, the other 21 firms adopted the growth strategy, 19 firms applied the innovation strategy, 18 firms utilized the turnaround strategy and the remaining 14 firms selected market differentiation strategy. Findings of the study showed significant difference between the performance of the SMMFs and the six business strategies as measured in terms of sales, gross profit and return of sales (ROS).

The leadership literature indicates previous research mainly examined how leaders behave and act. The earlier studies suggested that leaders largely focused on issues related to tasks and people in organizations (Fleishman, 1953; Fielder, 1967; and Hersey and Blanchards, 1982). Fleishman (1953) considered defining and structuring work, respect for subordinates, and sensitivity to subordinate feelings as task and people-related issues. On the hand, Fielder (1967) used the contingency approach to explore the contingency factors related to leader-member relations and task structure. Based on the situational theory, the study by Hersey and Blanchards (1982) indicated the extent to which leaders engaged in relationship behaviours and task behaviours depended on the maturity of the followers.

Apart from the research that investigated the leaders’ orientation towards relationships and task behaviours, other studies have attempted to investigate how leaders managed their organizations in order to achieve their performance. The study Farkas and Backer (1996) indicated that effective leaders maximized their leadership capabilities by adopting five distinctive approaches that included; the strategic approach, the human assets approach, the expertise approach, the box approach and the change agent approach.

Several studies have also attempted to examine the impact of the leadership styles on employees’ job satisfaction. Findings of a number of studies have shown that that transformational and transactional leadership styles as having influence on employees’ job satisfaction and production efficiency (Bass, 1985; Medley and Larochelle, 1995; and Yammarino & Bass, 1990).

Collins (2001) identified leadership as one of the key factors that contributed to greatness of successful companies. According to the study, good companies become great companies because these companies have Level 5 leaders. Findings of the study suggested that Level 5 leaders are able to make good companies great companies because these leaders build enduring greatness through a paradoxical blend of personal humility and professional will. The study further indicated that Level 5 leaders were able to not outperform their competitors but also to attain and sustain their performance as measured by cumulative stock returns.
The study by Chen (2004) examined the impact of transformational, transactional, and charismatic leaderships on organizational performance. According to the findings of the study, transactional leadership helped to increase not only organizational commitment, but also job satisfaction and performance. The same study also indicated that transformational leadership had assisted organizations to improve the commitment of employees.

More recent research on leadership has also emphasized on investigating the leadership styles adopted by effective leaders (Vugt and Ahuja, 2011; and Reardon, Reardon & Rowe, 1998). According to these recent studies, researchers have long attempted to understand the styles of effective leadership. In these studies, the researchers have emphasized on examining the characteristics of effective leaders such as; the warrior, the scout, the diplomat, the arbiter, the manager and the teacher (Vugt and Ahuja, 2011), commanding, logical, inspirational and supportive leadership styles (Reardon, Reardon & Rowe, 1998).

According to Kouzes and Posners (2012), leadership has been known to influence organizational performance in various ways. These authors claimed that leadership can help to improve performance in terms financial as well as non-financial measures. More specifically, these authors indicated that leadership has shown to enhance performance of organization in terms of net income, sales, profit, net assets, employee commitment, job satisfaction, role clarity, employee turnover, achievement of company goals and teamwork.

**RESEARCH METHODOLOGY**

In the study, the data was collected from the Takaful Agency Leaders that represented the takaful firms. The directory of the Takaful Agency Leaders was obtained from the 12 takaful firms presently operating in Malaysia under the Takaful Act 1984. The directory listed 1,000 agency leaders hired by the 12 takaful operators. The 1,000 Takaful Agency Leaders were selected and structured questionnaires were mailed to them. Of the 1,000 questionnaires posted, 196 Takaful Agency Leaders responded and returned the completed the questionnaires. This resulted in a response rate of 19.6%.

**Questionnaire**

The questionnaire adopted in the study has five sections. In the first section, nine items were used to get the data concerning the background of the Takaful Agency Leaders. Next, another eight items were included in section two to collect the following data on the takaful firms; name of agency, number of years in takaful industry, number of consultants, number of unit managers, number of supporting staff, location of agency, problems faced by firms, and problems in the takaful industry.

In the third section, 33 items measure the four business strategies adopted by the takaful firms. The four business strategies included; location differentiation strategy (5 items), product focus differentiation strategy (9 items), market focus differentiation strategy (11 items), and cost focus strategy (8 items). The strategies were measured by using a five numerical scale ranging from “not at all” (1) to “very much” (5). The respondents were requested to indicate the business strategies they adopted based on the five point numerical scales.

The 36 items in the fourth section focused on six leadership styles. The six leadership styles were; the warrior (6 items), the scout (6 items), the diplomat (6 items), the arbiter (6 items), the manager (6 items) and the teacher (6 items). The leadership styles were adopted from the study by Vugt and Ahuja (2011). The leadership styles were determined by using a seven numerical scale ranging from “extremely unimportant” (1) to “extremely important (7).

The four items in the fifth section were used to measure the performance of the takaful firms. The performance of the firms was measured in terms of premium, commission, persistency rate and number of consultants.
THE RESULTS

Characteristics of the Respondents and Agencies

The characteristics of the respondents are presented in Table 1. Their ages ranged from 24 years old to more than 50 years old. As for their education, 58 respondents indicated that they had a bachelor degree, another 19 obtained a master degree and the remaining six had a doctorate degree. In terms of race, 188 were Malays, four Chinese, and two Indians. Of the 196 respondents, 115 were males and the remaining 81 respondents were females.

Out the 196 respondents, 77 (39.3%) respondents indicated their agencies were formed between one to three years, another 79 (40.3%) respondents reported between four to six years, 17 (8.7%) respondents stated seven to nine years, 21 (10.7%) respondents revealed 10 to 12 years and only two (1%) respondents disclosed that their agencies were created more than 12 years ago.

The information shows that 135 respondents indicated their agencies were involved in the takaful industry between one to five years. Another 41 respondents revealed that they had been in the industry between five to 10 years. The other 14 respondents disclosed that their agencies had been in the takaful business between 11 to 15 years. Four of the respondents made known that their agencies had been operating in the industry between 16 to 20 years. Only two indicated their agencies had been in the takaful industry for more than 20 years.

Table 1: Characteristics of the Respondents and the Takaful Agencies

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Age of Respondents:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>24-30 years old</td>
<td>29</td>
<td>14.8</td>
</tr>
<tr>
<td>31-35 years old</td>
<td>35</td>
<td>17.9</td>
</tr>
<tr>
<td>36-40 years old</td>
<td>56</td>
<td>28.6</td>
</tr>
<tr>
<td>41-45 years old</td>
<td>40</td>
<td>20.4</td>
</tr>
<tr>
<td>46-50 years old</td>
<td>21</td>
<td>10.7</td>
</tr>
<tr>
<td>&gt;50 years old</td>
<td>15</td>
<td>7.6</td>
</tr>
<tr>
<td><strong>Highest Education Level:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>School Certificate</td>
<td>57</td>
<td>29.1</td>
</tr>
<tr>
<td>Diploma</td>
<td>52</td>
<td>26.5</td>
</tr>
<tr>
<td>Bachelor’s Degree</td>
<td>58</td>
<td>29.6</td>
</tr>
<tr>
<td>Masters’ Degree</td>
<td>19</td>
<td>9.7</td>
</tr>
<tr>
<td>Doctorate</td>
<td>6</td>
<td>3.1</td>
</tr>
<tr>
<td>Other</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td><strong>Race:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Malay</td>
<td>188</td>
<td>96</td>
</tr>
<tr>
<td>Chinese</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Indian</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Others</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td><strong>Gender:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>115</td>
<td>58.7</td>
</tr>
<tr>
<td>Female</td>
<td>81</td>
<td>41.3</td>
</tr>
<tr>
<td><strong>Number of Years Takaful Agency Established in Current Firms:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-3 years</td>
<td>77</td>
<td>39.3</td>
</tr>
<tr>
<td>4-6 years</td>
<td>79</td>
<td>40.3</td>
</tr>
<tr>
<td>7-9 years</td>
<td>17</td>
<td>8.7</td>
</tr>
<tr>
<td>10-12 years</td>
<td>21</td>
<td>10.1</td>
</tr>
</tbody>
</table>
Business Strategy Adopted by the Takaful Firms

The results of the study indicated that the takaful firms adopted the four types of business strategies as presented in the literature. Table 2 shows the distribution as well as ranks the four business strategies implemented by the takaful firms. As presented in Table 2, 85 respondents (43.4%) reported adopting the product focus differentiation strategy, the other 58 (29.6%) revealed selecting the location differentiation strategy, another 27 respondents (13.8%) disclosed implementing the cost focus strategy, and the remaining 26 respondents (13.2%) indicated selecting the market focus differentiation strategy.

Table 2: Business Strategies Adopted by the Takaful Firms

<table>
<thead>
<tr>
<th>Business Strategy:</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product focus differentiation strategy</td>
<td>85</td>
<td>43.4</td>
</tr>
<tr>
<td>Location differentiation strategy</td>
<td>58</td>
<td>29.6</td>
</tr>
<tr>
<td>Cost focus strategy</td>
<td>27</td>
<td>13.8</td>
</tr>
<tr>
<td>Marketing focus differentiation strategy</td>
<td>26</td>
<td>13.2</td>
</tr>
<tr>
<td>Total</td>
<td>196</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Leadership Styles

The results of the study show that the takaful firms adopted six leadership styles. The distribution of the leadership styles as identified in the study is presented in Table 3. Table 3 indicates that of the six leadership styles, scout leadership style was most dominant among the firms. Of the 196 respondents, 116 (59.2%) indicated that they adopted the scout leadership style. Following this, 25 (12.8%) respondents reported that they followed the warrior leadership style. Another 24 (12.2%) of the respondents used the manager leadership style. The results show that 15 respondents each followed the arbiter and teacher leadership styles, respectively. Only one of the 196 respondents adopted the diplomat leadership style.

Table 3: Leadership Styles among Takaful Agencies Leaders

<table>
<thead>
<tr>
<th>Leadership Styles</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scout</td>
<td>116</td>
<td>59.2</td>
</tr>
<tr>
<td>Warrior</td>
<td>25</td>
<td>12.8</td>
</tr>
<tr>
<td>Manager</td>
<td>24</td>
<td>12.2</td>
</tr>
<tr>
<td>Arbiter</td>
<td>15</td>
<td>7.7</td>
</tr>
<tr>
<td>Teacher</td>
<td>15</td>
<td>7.7</td>
</tr>
<tr>
<td>Diplomat</td>
<td>1</td>
<td>0.5</td>
</tr>
<tr>
<td>Total</td>
<td>196</td>
<td>100</td>
</tr>
</tbody>
</table>

Relationships between Business Strategy and Performance
The results of the correlation analyses between the four business strategies and the performance measures of the takaful firms are displayed in Table 4. The results in Table 4 show significant positive relationships between location differentiation strategy, cost focus strategy and the performance of the takaful firms that included average premium, average commission, average number of consultants and average persistency rate.

In addition, the results of the study show only positive associations between product focus differentiation strategy, market focus differentiation strategy and performance as measured by premium and commission.

The results however indicated that the relationships between product focus differentiation strategy, marketing focus differentiation and performance as measured in terms of average number of consultants and average persistency rates were not significant.

<table>
<thead>
<tr>
<th>Business Strategy</th>
<th>Average first year premium collected</th>
<th>Average first year commission</th>
<th>Average number of consultants</th>
<th>Average persistency rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location differentiation</td>
<td>.436**</td>
<td>.285**</td>
<td>.451**</td>
<td>.519**</td>
</tr>
<tr>
<td>Product focus differentiation</td>
<td>.326**</td>
<td>.272**</td>
<td>.122</td>
<td>.125</td>
</tr>
<tr>
<td>Marketing focus differentiation</td>
<td>.353**</td>
<td>.300**</td>
<td>.034</td>
<td>.074</td>
</tr>
<tr>
<td>Cost focus</td>
<td>.298**</td>
<td>.468**</td>
<td>.362**</td>
<td>.472**</td>
</tr>
</tbody>
</table>

** p < .001 (2-tailed)

Relationships between Leadership Styles and Performance

Table 5 presents the results of the correlation analyses between the six leadership styles and the performance of the takaful firms. The results in Table 5 indicate significant positive relationships between the six leadership styles and average performance as measured in terms of premium, commission, number of consultants and persistency rate.

<table>
<thead>
<tr>
<th>Leadership Styles</th>
<th>Premium</th>
<th>Commission</th>
<th>No. of Consultants</th>
<th>Persistency Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Warrior</td>
<td>.206**</td>
<td>.257**</td>
<td>.679**</td>
<td>.354**</td>
</tr>
<tr>
<td>Scout</td>
<td>.660**</td>
<td>.369**</td>
<td>.412**</td>
<td>.431**</td>
</tr>
<tr>
<td>Diplomat</td>
<td>.508**</td>
<td>.431**</td>
<td>.517**</td>
<td>.659**</td>
</tr>
<tr>
<td>Arbiter</td>
<td>.270**</td>
<td>.646**</td>
<td>.453**</td>
<td>.377**</td>
</tr>
<tr>
<td>Manager</td>
<td>.451**</td>
<td>.461**</td>
<td>.464**</td>
<td>.676**</td>
</tr>
<tr>
<td>Teacher</td>
<td>.301**</td>
<td>.392**</td>
<td>.325**</td>
<td>.652**</td>
</tr>
</tbody>
</table>

DISCUSSION AND CONCLUSION

This study investigated the relationships between the business strategies, leadership styles and performance of takaful firms. The results of the study indicate positive relationships between the business strategies, leadership styles and the performance of the takaful firms. More specifically, the results suggest significant positive relationships between location differentiation strategy, cost focus
strategy and the performance of the takaful firms as measured in terms of average premium, average commission, average number of consultants and average persistency rate. The results however show only positive associations between product focus differentiation strategy, market focus differentiation strategy and performance as measured by premium and commission.

In addition, the results of the study also show statistically significant positive relationships between the six leadership styles and the performance of the takaful firms. The results show that warrior, scout, diplomat, arbiter, manager and teacher leadership styles are positively associated to the performance of takaful firms as measured in terms of premium, commission, number of consultants and persistency rate.

From the results of the study, the following can be concluded. First, the results indicate the relevance and applicability of business strategy and leadership to the takaful firms. Findings of the study show that the takaful firms adopted four types of business strategies that included product focus differentiation strategy, location differentiation strategy, cost focus strategy and marketing focus differentiation strategy as advocated in the literature. In addition, the results show the takaful firms adopted six styles of leadership that include; warrior, scout, diplomat, arbiter, manager and teacher.

Second, the findings of this study indicate significant positive relationships between the business strategies, leadership styles and the performance of the takaful firms. The positive relationships between the four business strategies, the six leadership styles and the performance of the takaful firms suggest not only the importance of business strategies and leadership to these firms but also their linkage to the performance of the takaful firms.

Although the findings of the study provide some evidence that indicate positive relationships exists between business strategy, leadership styles and performance of takaful firms, empirical studies in this area of research remained limited, particularly in the local context. The limited research suggests the need for more studies to be conducted in this field of study. For instance, apart from investigating business strategy and leadership among takaful firms, future research may attempt to examine other business environmental factors that may also be relevant and applicable to these firms. Exploring and identifying factors such as competition, uncertainty, and complexity that the takaful firms face in their business environment maybe also be useful to determine the extent to which these environmental factors influence their operations as well as performance.

**REFERENCE**


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Improvisation-Performance Link and the Moderating Effects: A Case of Malaysia Technology-Based Companies

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Abstract.

This research aims to examine the relationship between organisational improvisation and firm performance as well as to identify the effect of environmental turbulence on improvisation-performance relationship. Given the lack of studies on these relationships in the previous literature, there is significant contribution to the theories as well as for managerial practices. 128 responses from top management of technology-based companies in Malaysia were used as a sample in this study. The finding of the direct association between organisational improvisation and firm performance implies that improvisation provide the enhancement of firm performance as a whole. In testing moderating effects on the improvisation–performance link, the strength and type of relationship between improvisation and firm performance did change when moderated by environmental turbulence. The research findings identified both technological and competitive turbulence moderate the relationship between organisational improvisation and firm performance. Technological turbulence shows a negative moderating effect; meanwhile the competitive turbulence demonstrates a positive moderating effect on the improvisation–performance link.

Keywords: organisational improvisation, firm performance, environmental turbulence

1. Introduction

Identifying the foundations of improvisation is vital for organisations as it serves to provide faster decision-making, especially when the organisation faces a turbulent external environment; and ultimately it may lead to promote positive outcomes for the organisation to survive and prosper (Kamoche et al. 2001; Akgun and Lynn, 2002; Vera and Crossan, 2005; Leybourne and Sadler-Smith, 2006). However, prior research has paid considerable attention on the centrality of improvisation in individual and group outcomes (Kamoche et al., 2003) to the detriment of focus on organisational outcomes (firm performance). No study has sought to trace and prove the association between organisational improvisation and firm performance as a whole, although much previous research tend to assume theoretically that improvisation may lead to superior performance through other possible contingent factors (Crossan et al., 2005; Hmieleski and Corbett, 2008). Given the deficiency of empirical evidence and general lack of consensus on whether improvising is positive for improving firm performance, this emphasis deals with the need on empirical investigation of the relationship between improvisation and firm performance.

In recent times, much attention has been focused on the issue of environmental turbulence in the improvisation literature. The impact of environmental turbulence on organisational improvisation has empirically been established by few researchers (i.e. Moorman and Miner, 1998b; Akgun and Lynn, 2002; Cunha et al., 2003, Vera and Crossan, 2005; Cunha and Cunha, 2006b; and Akgun et al., 2007). With regards to the effect of environmental turbulence, firms have to think and decide on the best approach of either planning or improvisational way in gaining greatest business outcome. Firms may face such changes occurring in the environment which are associated with new technologies, the preferences of customers and competitive intensity (Jaworski and Kohli, 1993). The changes in the environment can be either high or low turbulent.

The impact of turbulent environment on planning or improvisation actions is a significant topic which is currently discussed by scholars. In the computer industry, Eisenhardt and Tabrizi (1995) found that “extensive planning simply wastes time, especially in high-velocity industries such as
computers” (Eisenhardt & Tabrizi, 1995: 106); and fast strategic decision-makers consider the planning process as a “futile” exercise once the environment is shifting unpredictably (Eisenhardt, 1989). These incidents suggest that improvisational actions are critically important in creating better performance especially when organisations are faced with turbulent environment. Nevertheless, how far the statement on environmental turbulence affects the improvisational effectiveness is still ambiguous. Therefore this research aims to examine the environmental turbulence as a moderating effect on the relationship between improvisation and firm performance.

2. Literature Review and Hypotheses

Improvisation is defined as an action taken in real time situations where it involves a high degree of spontaneity, creativity and intuitive insight by individuals, groups or the whole organisation (Arshad, 2011). It can be considered a tool to developing strategy that helps executives identify key decisions that are needed to create more shareholder value (Mankins and Steele, 2006). This shareholder value can be a desirable strategic outcome for the organisations. According to Srivastava et al. (1999), organisations can create customer value through the management activities such as products or services development management, supply chain management and customer relationship management which have the potential benefits of accelerating and enhancing cash flows, reducing risk, creating firm image. This signifies that the shareholder value should not only contribute by the internal outcome (e.g. long term profits, sales growth and financial resources) but it also noteworthy to highlight on external outcomes (e.g. the perspective and standpoint of customers toward firm).

Firm performance and organisational improvisation relationship has currently been noticed lacking in empirical research. Previous research such as Moorman and Miner (1998b), Akgun and Lynn (2002) and Vera and Crossan (2005) examine new product development to determine the effectiveness of organisational improvisation. Other empirical studies, for instance by Souchon and Hughes (2007), reveal that export performance is a positive outcome of export improvisation with the moderating effect of export coordination; meanwhile Hmieleski and Corbett’s (2006) study the link between entrepreneurial improvisational behaviour and venture performance. According to Hmieleski and Corbett (2006), there is no direct relationship between entrepreneur improvisational behaviour and new venture performance.

The investigation of organisational improvisation outcomes is a necessity as it can provide a guideline for the organisations to measure their success or failure. As improvisation is supposedly to confer benefits of rapid adaptation and response to opportunities, competitors, markets and customers (cf. Crossan et al., 2005) it would appear that hypothetically, positive performance benefits would accrue (notwithstanding the negative potential for biased learning and opportunity traps). It is hypothesised then that:

**Hypothesis 1:** The greater the organisational improvisation, the stronger the firm performance.

Most previous researchers tend to assume that improvisation may lead to superior performance through the benefits of environmental turbulence (Eisenhardt and Tabrizi, 1995; Moorman and Miner, 1998b; Akgun and Lynn, 2002; Hmieleski and Ensley, 2004). Environmental turbulence can be considered a situation where the management of a firm is facing a state of flux and an unpredictable business environment, particularly when it has relatively little information about its external environment (Stacey, 1993). In particular, environmental turbulence has been viewed by theorists and practitioners as a source of uncertainty (Greenley, 1995; Ottesen and Grønhaug, 2002 and 2004) and “it is often thought of as discrete, salient and unpredictable events in the environment” (Ottesen and Grønhaug, 2004:956). Environmental turbulence can consist of many factors, but most scholars especially in market orientation literatures suggest that the primary elements of environmental turbulence comprise of market turbulence, technological turbulence and competitive intensity (Kohli and Jaworski, 1990; Narver and Slater, 1990; Greenley, 1995; Ottesen and Grønhaug, 2004; Shoham et al., 2005). Market turbulence refers to “…changes in the composition of customers and their
preferences” and technological turbulence refers to changes rapidly and swiftly in “…the entire process of transforming inputs to outputs and the delivery of those outputs to the end customer” (Kohli and Jaworski, 1990:14). Competitive intensity is related to the presence of multiple choices for customers (Kohli and Jaworski, 1990). In the conditions of competitive turbulence, competitors commonly move in and out of markets and rapidly shift their strategies. Under turbulent environments, organisations that are able to be a market leader may have to have the ability to make a continuous innovation, establish customer networks, and share responsibility for new strategy throughout the firm (Chakravarthy, 1997). They may also need to poise the firm’s capabilities for leveraging, strengthening, and diversifying its distinct assets or skills (Chakravarthy, 1997).

In past research environmental turbulence has primarily been studied in terms of its potential moderating effect on the market orientation and performance relationship (e.g. Jaworski and Kohli, 1993; Slater and Narver, 1994, Greenley, 1995) and on the planning and performance relationship (e.g. Fredrickson, 1984; Atuahene-Gima and Li, 2004; Atuahene-Gima and Murray, 2004). But recently, environmental turbulence has received attention in the improvisation literature and a few scholars have found that environmental turbulence can give a significant effect on improvisational activities within the organisation. Akgun and Lynn (2002), for example in their study revealed that for turbulent markets and technologies, improvisation is positively associated with speed-to-market. This means that changing customer preferences, exponential technological developments, increase in competitive demand and readily available information from markets and technologies can force organisations to create new product in a speedy pace (Akgun and Lynn, 2002).

As yet, no empirical evidence traces the moderating effect of technological, market and competitive turbulence on the improvisation-performance relationship. Therefore, this study comes out with three specific hypotheses. The hypotheses are as follows:

**Hypothesis 2:** The stronger the technological turbulence, the stronger the relationship between organisational improvisation and firm performance.

**Hypothesis 3:** The stronger the market turbulence, the stronger the relationship between organisational improvisation and firm performance.

**Hypothesis 4:** The stronger the competitive turbulence, the stronger the relationship between organisational improvisation and firm performance.

### 3. Analyses and Results

The unit of analysis for this study is the top management of the firm (nominated subordinate such as CEO, COO, Executive Directors, Managing Directors and Senior Managers) who participate in the strategic management process and firm decision-making in technology-based companies in Malaysia. A total of all usable questionnaires were 128 responses from technology-based companies in Malaysia. It is importantly significant for this research to focus on high technology firms because many of these firms are progressively faced with on-going challenge of competition, technological and market demand (high turbulent environment) (Morgan *et al.*, 2000; Doran and Gunn, 2002; Morgan and Strong, 2003) which require constant change and innovation (Eisenhardt, 1989); and hence the tendency for organisational improvisation in their business process is likely to be necessary.

Seven-point scales were used in the questionnaire. Alpha coefficients of all factors are greater than the accepted 0.7 threshold. All scales were examined with exploratory factor analysis using SPSS 16.0 to summarise the structure of a set variables and to purify measures of items used. The KMO and Bartlett’s test of sphericity of sampling adequacy of each variable is greater than 0.5, therefore the sampling is assumed to be adequate for further analysis. A hierarchical regression analysis was used to test these four hypotheses. The details are as Table 1 below.
Table 1 presents the results from the three regression models. Model 1 represents the relationship between organisational improvisation and firm performance; Model 2 indicates the relationship between organisational improvisation and the external environment factors (technological turbulence, market turbulence and competitive turbulence); and Model 3 represents the external environmental factors as a moderating effect on the relationship between organisational improvisation and firm performance. By looking at each model as a whole, all models (Model 1, 2 and 3) have significant correlations (p<0.01), however when examined individually the results are mixed.

In Model 1, the result reveals that a total of 9.4% of the variance in firm performance is explained by organisational improvisation; with a significant F-value of 13.013 (p<0.001). This result thus shows Hypothesis 1 is supported. In Model 2, the result shows the total variance explained by the model as a whole is 13.4%, (F=4.747; p<0.001). However, only market turbulence and competitive turbulence show a significant relationship (as shown in Model 2 of Table 1; while technological turbulence becomes non-significant (β=0.010; p>0.1). Lastly, in Model 3, the result represents 17.9% of the total variance explained by the model (F=3.741). As can be seen in Model 3, the interaction of organisational improvisation and technological turbulence on firm performance is negative and significant, thus Hypothesis 2 is refuted. It was also found that competitive turbulence has a positive effect on the relationship between organisational improvisation and firm performance, thus Hypothesis 4 is supported. However, the effect of market turbulence on the linkage between organisational improvisation and firm performance is non-significant, thus Hypothesis 3 is not supported.

4. Discussion and Conclusions

Explicitly, the finding of the direct association between improvisation and firm performance is the first study to contribute knowledge in this regard and provides interesting implications for theory as well as implications for practitioners. This result can help organisations to redefine their business process by considering improvising processes that leads to superior performance. In the case of Malaysia high technology-based companies, the potential achievement of firm profitability, competitive advantage and market standing are an effect of good implementation of improvisational process within organisation. Due to the nature of the companies, they are faced with turbulent environments and these high technology companies need to remain competitive and execute improvisational activities within their organisations in order to sustain and enhance their business performance.
Collectively, the result of this study indicates that environmental turbulence has a significant moderating effect on the improvisation–performance relationship. This result, however, differs for each element of environmental turbulence, but nonetheless implies that organisations may not be able to follow the usual planning processes of analysing the market to identify opportunities and then taking the time to develop new products and strategic options to capitalise on such opportunities. Once the environment wherein an organisation operates experiences a large number of changes and highly turbulent competitive conditions, organisations, such as high technology-based companies in Malaysia, should then be encouraged to consider implementing improvisation in order to address these conditions and enhance its firm performance. Organisations need to be more committed and creative under turbulent conditions, even if it means sacrificing some of its existing resources in order to implement improvisation and be more competitive. In this case, the improvisational approach can give organisations the necessary edge and ability to identify significant linkages that better meet the emerging customer needs, technologies, and competitive situation (Zahra, 1997; Ottesen and Grønhaug, 2004; Akgun et al, 2007) and consequently increase firm performance.

Examining the three forms of turbulence individually, only two of the three predicted moderators (technological and competitive turbulence) show a significant moderating affect on the improvisation–performance relationship. This result (Hypothesis 3) exemplifies that the greater or the lesser changes in customers’ needs and preferences does not affect the significant relationship between improvisation and firm performance of high technology-based companies in Malaysia.

Technological turbulence, on the other hand, has shown a negative moderating effect between improvisation–performance relationships (thus refuting Hypothesis 2). This result suggests that when an organisation is faced with technological turbulence, managers may need to improvise less in the way that they conduct their activities in order to cope with technological turbulence as improvisation has negative performance connotations under conditions of high technological turbulence. Or put another way, the more turbulent the technological environment, the stronger the negative relationship between improvisation and performance. This result supports Moorman and Miner’s (1998b) study, which revealed that the improvisation—cost efficiency relationship become weaker and more negative when technological turbulence is high. According to Jaworski and Kohli (1993), technological turbulence is the changing pace of product and process technologies used to transform inputs into outputs. Improvisation of product and process technologies requires high investment by the company and can consequently diminishes firm performance. One example to represent this scenario is Kodak Corp, a company synonymous with film. However, with the increasing popularity of digital cameras, the company improvised its product line by producing its own digital camera. Due to the time pressure and in coping with technological turbulence, sales turnover diminished (Ketchen et al., 2007). This scenario bears resemblance to the situation of high technology-based firms in Malaysia. Most Malaysia high technology-based companies require high investment (e.g. to buy new sophisticated equipment or machines) to dynamically cope with the technological turbulence. In the short run, potential consequences of these new technological changes such as the employees change resistance, employees’ learning period and so forth could be harm to firm performance and potential degradation to competitive advantages over time.

With regards to the relationship between improvisation, competitive turbulence and firm performance, this study contributes new knowledge to the improvisation and management literatures. In examining competitive turbulence as a moderator of the improvisation–performance relationship, the findings (Hypothesis 4) provide empirical evidence that this moderating effect is significant and positive, thereby supporting extant literatures, which suggest that the increased speed of competition might enable organisations to develop an improvisational competency (Mintzberg and McHugh, 1985; Brown and Eisenhardt, 1995; Eisenhardt and Tabrizi, 1995; Cunha et al., 2003; and, Cunha and Cunha, 2006b), that is, the organisations often respond to such situations by improvising rather than responding through plans (Moorman and Miner, 1998b) and over time this can lead to the development of a competence in improvising, which in itself may become a form of competitive advantage. Whilst harsh competitive conditions are often seen as a bad situation to be in, higher levels
of performance can be realised through addressing the environmental conditions through organisational improvisation.

Under competitive turbulence, competitors commonly move in and out of markets to rapidly shift their strategies (Kohli and Jaworski, 1990; 1993; Narver and Slater, 1990; Greenley, 1995). The organisation is then required to strengthen its position within the industry by using strategies to rival those of its competitors. In the case of high technology-based companies in Malaysia, this implies that improvisation is a key factor to increase their firm performance and supports the studies by Moorman and Miner (1998b), Akgün and Lynn (2002) and Vera and Crossan (2005). More specifically when the organisations face highly competitive environments then improvisation becomes even more important for performance, and thus supports the contentions of Cunha and Cunha (2006b).

It can also be expanded upon here that environment conditions must play a role in determining whether or not the firm should seek to improvise. As indicated earlier, in case of low or high market turbulence the decision to improvise does not have much bearing on performance. However, when technological turbulence exists it is preferable to improvise only when conditions are relatively benign as otherwise improvisation harms performance. This is likely related to the need to properly assess and exploit technological changes and innovations in a planned manner such that the firm is making optimum use of the situation or making the optimum response to the situation. Improvising itself can be costly depending on the actions taken and taking such risky actions in addressing technological changes would appear suboptimal. Finally, in relation to competitive circumstances, it is clear that improvisation has greater performance benefits under turbulent conditions and once again, we should question whether improvisation is of much value in benign competitive conditions. Managers must then proceed with caution when improvising in the light of specific environmental conditions.

5. References


The Effects of Public Service Motivation on Job Performance: Myth or Reality?

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Abstract

Today, performance of government employee is very important as its concerns of the government image and the efficiency on government management. Based on the previous studies, it revealed that public service motivation has significant relationship with the job performance of employees in public sector. But, there are some arguments about PSM measurement scale among previous scholars such as did not use Perry’s four dimensional measurements (1996) on their studies. However, they have their own justification for the measurement scale. Further discussions about the review of public service motivation on job performance are discussed.

KEYWORDS: Job performance, Public Sector, Public Service Motivation (PSM)

1. Introduction

Today, performance of government employee is very important as its concerns of the government image and the efficiency on government management. Higher performance will lead to greater citizen trust in government (Kaifeng & Marc, 2006). Good performance is also related with achieving the quality, quantity, cooperation, dependability and creativity while completing the task given. The quality of employees is the important aspect which influence on job performance. Hence, the people who possess a high skill level will success; for example, an employee with high skill in job knowledge (unique skills, intelligence and task method) will success in his/her task/job. Employees’ job performance among public sector is very important since it will reflect the government performance in each country. Hence, job performance becomes the most important focus research area among administrators and academicians due to the reason performance level will effect if the level of skill of employee drops (Salleh, Yaakub & Dzulkifli, 2011).

The important of this paper is about discussing the conceptual aspect of public service motivation on job performance in the public sector. It will also review the evolution of public service motivation, measurement of public service motivation and previous studies about public service motivation on job performance. In this review, it also shows that the value as workers with such a motivation; public service motivation (PSM) are more committed to the organization, more willing to extra effort and have higher perception about their job performance.
2. Conceptualization of Public Service Motivation

The concepts and theory of public service motivation has been developed in the early 80s from the underlining assumption that there is a form of motivation defined more altruistic than self-serving motives and more common and prevalent in the public than the private sector (Yanti, 2012; Horton, 2008; Perry, 2000). Public service motivation, like other motivation theories, based on a broad motivation concept defined by Perry and Porter (1982) as “the forces that energize, direct and sustain behavior”. Meanwhile, Robbins (2004) defined motivation as “the process that accounts for an individual’s intensity, direction and persistence of effort toward attaining a goal.

Perry and Wise (1990, 2004) mentioned that motivation of public service should be understood as a psychological deficiencies or needs; whereby individual contribute to the public good to satisfy their personal needs.

Perry and Wise (1990) described public service motivation as a person’s susceptibility to motives oriented mainly to the public institutions. Later, it has been revised by Wise (2000) the definition to “needs to perform acts of public service and to contribute to the advancement of the quality of life in society”.

The theory of PSM has defined public service motivation as that some individuals have a “predisposition to respond to motives grounded primarily or uniquely in public institutions and organizations” (Perry & Wise, 1990; 386) that induces them “to perform meaningful… public, community and social service” (Brewer & Selden, 1998; 417). As a result, the theory generally is used to suggest that individuals with greater PSM are more likely (1) to be found working in government because of the opportunities it offers to provide meaningful public service, and (2) to perform better in-and feel more satisfied with- the public sector jobs because they find this type of work intrinsically rewarding. Even a growing body of research provides support for these claims, researcher understands of and confidence still has been limited by a reliance on cross-sectional research design (Wright, 2008).

3.0 Evolution of Public Service Motivation

Perry has developed a PSM scale based on statements chosen carefully through extensive theoretical review. He operationalized the theoretical rational, normative and affective into a measurement scale. His scale initially consisted 40 items associated with six dimensions: self-sacrifice; attraction to policy-making; compassion; commitment to the public interest; social justice and civic duty (Perry, 1996). The Attraction to Policy-Making dimension contained the rational motive, commitment to public interest, social justice and civic justice fell into normative category and compassion fell into the affective category (Yanti, 2012; Perry, 1996; Kim & Vandenabeele, 2010). The self-sacrifice dimension fit within none of the motive types but was retained due to the public service requires an individual’s self-sacrifice and making this dimension important to the PSM construct (Yanti, 2012; Perry, 1996; Kim & Vandenabeele, 2010).

Later, after testing the scale with confirmatory factor analysis (CFA), Perry (1996) has revised his public service motivation measurement scale of 24 items comprising only four dimensions: attraction to public policy-making, compassion, self-sacrifice and commitment to public interest. Further, these constructs have been acceptable internal consistency (Perry, 1997). The coefficient alpha values were 0.77 for Attraction to Public Policy, 0.69 for Public Interest, 0.72 for Compassion and 0.74 for Self-Sacrifice.
4. Challenges of Public Service Motivation Measurement Scale

Many studies of public service motivation have been done using this measurement scale. Brewer and Selden (1998) argue that public service motivation is a complicated and multi-faceted concept since it is required development of a precise measurement scale. They do not construct their own measure but measure public service motivation through the observable behavior of whistle blowing.


Several reasons have been revealed why some studies did not use Perry’s four dimensional measurement (1996), including and difficulty administering the instrument in the field due to the long questionnaires and questions unrelated to work (Perry & Hondeghem, 2008b). Another issue is about “its psychometric properties” because of redundancy and overlap between dimensions (Perry & Hondeghem, 2008a p.84). Then, Camilleri’s research (2006, 2007) found out that the internal reliability of the “attraction to policy-making” measure is below .70 whereby it is questionable by Norusis (2009) in his research. The small value of Cronbach’s alpha may indicate that a “scale measures several dimensions”. Furthermore, another studies using short form of Perry’s (1996) questionnaire face difficulties among respondents to understand its sentences. As mentioned by example, one item in “self-sacrifice and commitment to public interest” needs to be reclassified as part of another dimension suggesting that one dimension overlaps another (Choi, 2001).

5. Four-dimensional Measurement of Public Service Motivation

The application of multiple approaches and measurement techniques in previous public service motivation studies has empirically enriched the public service motivation theory literature. However, the backward of multiple approaches is that a diversity of techniques and measure limit confidence in the findings and interpretation of any single study (Perry & Hondeghem, 2008b). Therefore, Wright, Manigault and Black (2004) mentioned that each operational definition of public service motivation suggests important differences in the meaning and/or number of public service motivation dimensions. Variety of operational measure may have serious impacts on research findings and the interpretation.

Basically, previous researches on public service motivation found that Perry’s measurement to be the most methodologically developed and advanced (Brewer & Selden, 1998; Houston, 2000). According to Alonso and Lewis, 2001; Crewson, 1997; Gabris and Simo, 1995; Mann, 2006; Posner and Schmidt, 1996; Rainey, 1982 and Wittmer, 1991, Perry’s (1996) four-dimensional construct is specially designed to capture the diverse phenomena that influence public service motivation including intrinsic rewards such as public interest, helping others and community service, found to be consistent in the reward preference approach used in previous studies. Meanwhile, Kim et al. (2011) in their recent studies in 12 countries confirmed that the revised four-dimensional measure of public service motivation is significantly better than other designs.

6. Relationship between Public Service Motivation and Job Performance

Job performance is a term used to depict how well an employee performs his or her work-related duties. Performance is important to workers and employers because it inevitably influences decisions regarding promotions, terminations, merit increases and bonuses (Caillier, 2010). Because so much is riding on this aspect of organizations, individual job performance has been studied extensively by
administrative theorist. It has begun in the early 1900s with Frederick Taylor’s study about his argument that organizations could increase worker productivity by identifying and standardizing the most efficient movements needed to perform a task. But this study has been criticized because it focused on “mechanization” rather than on the human side of the organization (March & Simon, 1958).

According to Murphy (1989), the job performance domain could be defined using the following four dimensions: (1) task behaviors, (2) interpersonal behaviors (communicating and cooperating with others), (3) downtime behaviors (work-avoidance behaviors) and (4) destructive/hazardous behaviors (behaviors that lead to a clear risk of productivity losses, damage or other setbacks). Additionally, Campbell (1990) categorized eight job performance dimensions: (1) job-specific task proficiency, (2) non-job specific task proficiency, (3) written and oral communications, (4) demonstrating effort, (5) maintaining personal discipline, (6) facilitating peer and team performance, (7) supervision and (8) management and administration.

Based on the conceptual grouping of 486 measures of job performance in the literature, Viswesvaran (1993) developed 10 dimensions of individual job performance. Besides a general factor of overall job performance, he identified the dimensions of productivity, quality of work, job knowledge, communication competence, effort, leadership, administrative competence, interpersonal competence and compliance with/acceptance of authority.

Meanwhile, Borman and Motowidlo (1993) argued that the entire job performance could be encompassed by the comprehensive dimensions of task performance and contextual performance. They describe task performance as behaviors that directly or indirectly contribute to the organization’s technical core. Meanwhile, contextual performance as behaviors that support the organizational, social and psychological environment in which the technical core must function. For examples, contextual activities are volunteering, persisting, helping, cooperating and following rules. Task activities identified as vary between different jobs whereas contextual activities are common to many or all jobs.

Based on the research conducted by Naff and Crum (1999) on cross-sectional survey data from some 10,000 U.S. federal employees, they found a positive relationship between PSM and self-reported individual performance ratings. Furthermore, the result was partially confirmed by a subsequent study done by Alonso and Lewis (2001) with the 35,000 respondents of federal white-collar employees. The survey takes two stages; 1991 Survey of Federal Employees and the 1996 Merit Principles Survey. they found that a significant relationship between PSM and self-reported performance ratings in the 1996 data set but no significant relationship between valuing service to others and performance appraisals was evident in the 1991 data set.

Another recent study by Andersen and Serritzlew (2012) focused on the relationship between commitment to the public interest – one of the four dimensions of PSM with the sample of 556 Danish physiotherapists in private practice. The result showed that the stronger commitment to the public interest tended to have a higher percentage of disabled patients.

The next study investigated the association between PSM and job performance with the mediation other variables. With the total sample of 205 public health care employees which were randomly drawn from three public organizations in the three states at the three levels of government, Bright (2007) found a significant relationship between PSM and self-reported performance. In contradict; the relationship became insignificant when person-organization fit was slot in the model.

Research by Leisink and Stejin’s (2008) found that person-organization fit did not mediates the association between PSM and three performance-related outcome variables (commitment, willingness to exert effort and perceived job performance). Choi (2001) found that PSM able to explained the most variance of job satisfaction variable.
Since that PSM is a predictor of individual performance in public organization as suggested by most literatures, how about other individual-level factors? According to Kim (2004) in his research, the results showed that significance relationship emerged between individual-level factors such as PSM, job satisfaction, organizational commitment, organizational citizenship behavior and organizational performance in government organizations. Commonly, we would predict that higher individual performance is the basis of higher organizational performance and it is suggested by researches, individual performance contributes to organizational performance (Brewer & Selden 1998, 2000; Perry & Wise, 1990; Brewer, Selden & Facer, 2000).

7. Conclusion

Our analyses of study regarding the application of PSM on job performance of public sector help us to conclude the following:

PSM has significant relationship with government employee’s job performance and also has direct influence by other variables such as organizational commitment, organizational citizenship behavior and job satisfaction. However it is, there is some argument about the application of four dimensions of Perry and Wise (1996) measurement scale but each of the scholars has their own justification to solve it. Therefore, public service motivation can be an important predictor of individual job performance due to the statement “the employees with higher PSM will have higher performance and they contribute more to government organizations”. In light of the beneficial effects of PSM on job performance, public managers should pay particular attention of implementing PSM and avoid practices which may depress employee’s PSM. As a conclusion the effect of PSM on job performance in not a myth but proved to be a reality since previous studies has proved it with the significant relationship results between few variables.

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Escalating the Employee Organisational Commitment through Employee Job Satisfaction: A Malaysian Childcare Centre Perspective

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ABSTRACT
The number of childcare centers in Malaysia has been steadily increasing and is expected to continue to increase in the future. This is largely due to the active campaign of the Malaysian Government for early childhood education, which is based on the important role played by formal early childhood education. One major factor contributing to the success of childcare centre is the quality of the childcareurs or the front-line employees. Hence, a quality childcare service is impossible without quality childcare employees. In fact, Malaysian childcare centers experience a high job turnover rate among their front-line employees. The high turnover rates could be due to lower employee job satisfaction levels which lead to a lower employee organisational commitment levels among the childcare employees. Finally, the study presents some suggestions for further studies that can be conducted in the future.

KEYWORDS: Employee job satisfaction, employee organisational commitment, childcare employee and Malaysian childcare centre.

1.1 INTRODUCTION
The number of childcare centers in Malaysia has been steadily increasing and is expected to continue to increase in the future. This is largely due to the active campaign of the Malaysian Government for early childhood education, which is based on the important role played by formal early childhood education (National Family and Population Board Report “Kementerian Pembangunan Wanita, Keluarga dan Masyarakat”, 2008). In fact, the childcare sector has grown tremendously over the years in Malaysia, due to the growing number of women who are joining the paid labour force (Omar, Abu, Sapuan, Aziz & Nazri, 2010). This significance increase in the number of registered and licensed childcare centers is reflected in Table 1.1(Childcare Centre Statistical Report “Kementerian Pembangunan Wanita, Keluarga dan Masyarakat”, 2012).

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Registered and Licensed Childcare Centers</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>306</td>
</tr>
<tr>
<td>2008</td>
<td>337</td>
</tr>
<tr>
<td>2009</td>
<td>395</td>
</tr>
</tbody>
</table>

One major factor contributing to the success of childcare centers is the quality of the child carers or the front-line employees (Hanushek & Rivkin, 2007). Employees are instrumental in contributing to the children’s learning (Hanushek & Rivkin, 2007). However, Malaysian childcare centers lately have been plagued with problems of well-being of children under their care due to a poor commitment from the childcare centers’ employees, for example, children’s abuse, injury and death (Hashim, 2012; Isa, 2007; Zulkifli, 2012). This happened because the employees were not satisfied with their job since the low salary offered by the childcare centers compared to the other sector and long service hours (from 6.30 am to 6.30 pm) as disclosed by Persatuan Pengasuh Berdaftar Malaysia (2012). Hence, a quality childcare service is impossible without quality childcare employees (Chiam, 2008). Besides, Malaysian childcare centers experience a high job turnover rate among their front-line employees (Persatuan Taska Negeri Selangor, 2011; Persatuan Pengasuh Berdaftar Malaysia, 2012). The high turnover rates could be due to lower employee job satisfaction (EJS) levels which lead to a lower employee organisational commitment (EOC) levels among the childcare employees. Therefore, the owners of childcare centers should be more concerned with the importance of satisfying the needs of the front-line employees first before satisfy the customers’ needs in order to retain committed front-line employees.

This paper aims to examine the influential role of the EJS on the organisational commitment level among the childcare front-line employees in the Malaysian context. In other words, the objective of this study is to examine whether EJS has a relationship with EOC (affective commitment, continuance commitment and normative commitment) within childcare centers in Malaysia. In order to achieve the aforementioned objective, the data were collected from childcare centers in Malaysia through a self-administered questionnaire. Our findings provide insights into how far EJS can be the catalyst of any successful EOC. However, the limitations of this research provide some future research directions that can be deeply investigated to get the valid and reliable results.

1.2 LITERATURE REVIEW

1.2.1 Employee Organisational Commitment

Bentein, Vandenbergh, Vandenbergh and Stinglhamber (2005) and Grigg (2009) pointed out that EOC is the progress of employees’ trust in their organisation, which is shown by their willingness to engage in the organisation’s vision, mission and values. Grigg (2009) and McKay, Avery, Tonidandel, Morris, Hernandez and Hebl (2007) stated that EOC correlates with the level to which the employee is psychologically involved in the organisation. Furthermore, Lee and Olshfski (2002) determined that EOC was a four-facet construct, comprising commitment to their superior,
commitment to their teamwork, commitment to their organisation and commitment to an identity that was set up in a job.

According to Meyer and Allen (1991), EOC can be classified into three elements: affective commitment (AC), continuance commitment (CC) and normative commitment (NC). AC shows an individual’s emotional commitment, connection and association with a certain organisation. CC relays to the cost that occurs if the employee leaves the organisation, for example, the distance and location costs. NC highlights the commitment of the employee to remain with his or her organisation because he or she feels that he or she should remain there.

1.2.2 Employee Job Satisfaction

The concepts of EJS have been a focal point of study among the academicians and practitioners over the last two decades. Saif, Nawaz, Jan and Khan (2012) pointed out that EJS is a persistent attitude and that it needs constant management. In fact, EJS is regarded as a significant success factor for organizations. Hence, the concept of EJS is a multi-dimensional and interdisciplinary term, which has attracted the consideration of many researchers from around the world and from a variety of disciplines, namely, Total Quality Management (TQM), Human Resource Management (HRM), psychology, organisational behaviour (OB) and so on (Zaim & Zaim, 2008).

EJS was also identified by Spector (1997) as a level to which employees are comforted and delighted with the job. Spector developed a Job Satisfaction Survey (JSS) in 1985, which is an extra job satisfaction instrument, in order to meet the need for human services, public and nonprofit organisations. This happens because most of the existing instruments had been developed for other types of organisation (industrial areas) and a somewhat little can be found about the human service employees. Some items of the existing instruments might not be suitable for human services since those instruments had been developed for industrial areas. Therefore, JSS was developed to fill the need for an instrument for human services, public and nonprofit organisations. JSS contains nine dimensions such as communication, contingent rewards, co-workers, fringe’s benefits, nature of work, operating procedures, pay, promotion and supervision (Spector, 1985, 1994, 1997).

1.2.3 Employee Job Satisfaction and Employee Organisational Commitment

The research conducted by Abdullah, Musa, Zahari, Rahman and Khalid (2011) showed that employee job satisfaction had a positive and significant relationship with employee organisational commitment among 300 front-line employees of hotels in the Klang Valley, Malaysia. Zaim and Zaim (2008) conducted a study among employees in small and medium enterprises in Turkey. The sample of the study was randomly selected from the database of the Turkish Small Business Administration (KOSGEB). This study concentrated on the textile industry, especially in textile mill products and apparel. The findings reveal that there is a positive relationship between employee job satisfaction and overall employee organisational commitment in small and medium enterprises. Doraisamy (2007) pointed out that the six dimensions of employee job satisfaction, that is, nature of work, promotion, supervision, co-workers, pay and work conditions, have a significant impact on employee organisational commitment. Based on the previous arguments and other supporting ones, the following hypotheses are to be empirically tested:

H1. EJS is positively impact the EOC (AC, CC and NC) within childcare centre.

H1a: EJS is positively impact the AC within childcare centre.
H1b: EJS is positively impact the CC within childcare centre.

H1c: EJS is positively impact the NC within childcare centre.

Figure 1 illustrates the theoretical framework for the present study.

![Theoretical framework diagram](image)

**1.3 RESEARCH METHODOLOGY**

**1.3.1 Sample and Data Collection**

The data for this study were collected from the full-time front-line employees within registered and licensed childcare centers in 12 states in Peninsular of Malaysia, namely, Kedah, Perlis, Penang, Perak, Selangor, Kuala Lumpur, Negeri Sembilan, Johore, Malacca, Kelantan, Terengganu and Pahang. The researcher used a systematic sampling technique in selecting the respondents. This technique involves drawing every \( n \)th respondent in the sample frame (from each childcare centre that the researcher visited) starting with a randomly chosen respondent between 1 and \( n \) (Sekaran & Bougie, 2010). The respondents will be selected through the odd numbers from the sample frame which is number 1, 3, 5, 7 and so forth. For the purpose of the study, self-administered survey questionnaire will been distribute to the 500 employees in mentioned states.

Initially, the original version of the questionnaire was in English language. However, since the potential respondents of the study were front-line employees within childcare centers in Malaysia, therefore, the questionnaire was translated into Bahasa Malaysia. This was done accordingly to the suggestion of Brislin (1986). He stated that the questionnaire should be back to back translated in order to compute the reliability and validity of the questionnaire. Moreover, it was expected that it would be easier for the respondent to understand if the questionnaire was set in Bahasa Malaysia and this would encourage them to react to the survey. According to Sekaran (2000) it was important to
make sure that the translation of the questionnaire was developed consequently in order to get the better feedback from the respondents.

1.3.2 Measurements of Variables

All of the items in the constructs of EJS in this study were measured by using a five points Likert Scale instead of seven points Likert Scale as used in the main source, Spector (1985), which was ranging from 1 = Strongly Disagree to 5 = Strongly Agree. The researcher adapted the work of Meyer and Allen (1991) to measure the EOC in the current study. All of the items were measured by using a five points Likert Scale ranging from 1 = Strongly Disagree to 5 = Strongly Agree. According to Goldberg and Velicer (2006), using a rating scale of five points increased a probability because the respondents would precisely assess the ranking scales and would be minus likely to hustle through the items.

1.4 RESULTS

To test the hypotheses of the study, the Multiple Regression Analysis was employed. The adequacy of the model was confirmed by checking the regression assumptions such as linearity, normality, homoscedasticity and error independence. The data showed that no issue of the multicollinearity observed in this study.

As shown in Table 2, EJS had a significant and positive impact on AC at the 0.001 significant level (β=0.470, t=8.179 p<0.001) and had a significant and positive impact on CC at the 0.001 significant level (β=0.240, t=3.889 p<0.001). In other words, the findings revealed that Hypotheses 1a and 1b are supported. However, EJS is not significant in predicting NC level among the childcare employees. Therefore, Hypotheses 1c is not supported.

<table>
<thead>
<tr>
<th>IV</th>
<th>AC</th>
<th>CC</th>
<th>NC</th>
</tr>
</thead>
<tbody>
<tr>
<td>EJS</td>
<td>SB</td>
<td>SB</td>
<td>SB</td>
</tr>
<tr>
<td></td>
<td>TV</td>
<td>TV</td>
<td>TV</td>
</tr>
<tr>
<td></td>
<td>0.470</td>
<td>8.179</td>
<td>0.240</td>
</tr>
<tr>
<td>RSq</td>
<td>0.234</td>
<td>0.117</td>
<td>0.296</td>
</tr>
<tr>
<td>AdRSq</td>
<td>0.226</td>
<td>0.107</td>
<td>0.288</td>
</tr>
<tr>
<td>FVal</td>
<td>27.157</td>
<td>11.795</td>
<td>37.231</td>
</tr>
<tr>
<td>Sig</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
</tr>
<tr>
<td>DW</td>
<td>1.685</td>
<td>1.805</td>
<td>1.652</td>
</tr>
</tbody>
</table>

***p<0.001; **p<0.01; *: p<0.05
1.5 DISCUSSION AND LIMITATIONS

The findings indicate that EJS has a positive and significant relationship with AC and CC. In other words, in the childcare sector, if the employees are satisfied with their job, it will lead them to remain in the childcare centers. Specifically, satisfied employees will remain in the childcare centers because they have a strong individual emotional commitment and association with that childcare centers. Moreover, if the employees are satisfied with their job in childcare centers, then, they will continue to stay there because they think that they need to be there in order to avoid the distance, transport and location costs, if they leave the old childcare centers (Meyer & Allen, 1991).

The results of the study also show that EJS does not have any positive impact on NC. This result is not coherent with results of the prior studies in related literature. For example, the research conducted by Abdullah et al. (2011); Adey and Bahari (2010); Peltier et al. (2009); Testa (2001); and Zaim and Zaim (2008) argued that EJS has a positive impact on employee organisational commitment as a whole. These striking findings can be described by the statement that when the employees are not satisfied with their job, they tend to have less feeling of responsibility and moral obligation to stay in the childcare centers. In other words, the lack of a significant positive relationship between EJS and NC might be explained by other factors that attract the employees, for example, if the employees are not satisfied with their jobs, they feel they should move to other childcare centers or other services/industries that might offer them flexible working hours (normally for childcare centers, the working hours start from 6.30 am to 6.30 pm), a higher salary and better benefits (promotions, incentives, bonuses and training). Furthermore, they may also feel confident enough to start their own childcare centers.

The researcher executed a survey questionnaire research design, which used cross-sectional data collection at a specific point of time in order to test the hypotheses. Therefore, the information gained only demonstrates the degree of association between variables. As a result, the causal relationships which were basically assumed based on the results attained cannot be accurately determined. Additionally, the findings of the study were based on the data collected from the childcare centers representatives at one point in time. Consequently, the study does not reflect the continuous changes in the psychological human aspects that could have taken place in the organisations due to the continuous experience. This is because the data were based on the cross-sectional approach and no follow up data were gathered.

Therefore, a case study approach might be a better potential choice in order to be able to examine the relationships between EJS and EOC level among the childcare employees. Also, a longitudinal research is highly recommended since it would help the researchers to validate the findings attained from the cross-sectional method regarding the change in human views, behaviour and attitudes. This is because a longitudinal approach could explain the complex relationships between EJS and EOC level over a long period of time.

1.6 CONCLUSION

The main objective of the study is to examine the relationship between EJS and EOC. The findings of the study validated the significant effects of EJS on EOC (AC and CC). Therefore, it could be concluded that the managers or owners of the childcare centers should provide a workplace that contribute to EJS in order to make sure that their employees have a strong connection with the childcare and as a result, they will continue remain in that childcare.
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ABSTRAK

Hubungan perniagaan merupakan perhubungan organisasi dengan individu atau entiti yang berada di dalam atau di luar sesebuah organisasi. Bagi organisasi perniagaan, hubungan perniagaan dapat membantu menjaya proses-proses perniagaan yang seterusnya dapat membantu mencapai objektif-objektif perniagaannya. Kelebihan yang ada pada hubungan perniagaan bukan sahaja dapat bermanfaat kepada organisasi secara keseluruhan tetapi turut berupaya melicinkan operasi unit-unit di dalam organisasi berkenaan. Hal ini menjadi ketara dalam unit operasi pergudangan disebabkan oleh keunikan operasinya tetapi kajian terdahulu gagal untuk menyediakan maklumat berguna kepada pengurus gudang dalam mengesahkan wujud ataupun tidak hubungan dan pengaruh hubungan perniagaan ke atas prestasi operasinya. Kajian telah dilakukan ke atas pengilang di Semenanjung Malaysia yang memiliki lesen Gudang Pengilang Berlesen (GPB) daripada pihak Kastam Diraja Malaysia dan sebahagian pengilang dalam populasi ini telah dipilih secara rawak dan dihubungi secara pos. Sebanyak 102 pengilang telah memberikan respon yang berguna untuk kajian ini. Semua respon tersebut telah diuji menerusi ujian kolerasi bagi mengesan hala dan kekuatan hubungan dan ujian regrasi bagi menguji pengaruh hubungan perniagaan ke atas prestasi operasi pergudangan. Hasil ujian mendapat hubungan perniagaan mempunyai hubungan positif, bersifat sederhana dan berkongruensi secara signifikan ke atas prestasi operasi pergudangan. Dapatan kajian ini telah membuktikan bahawa hubungan perniagaan penting kepada operasi pergudangan dan ianya telah disahkan oleh pandangan berasaskan sumber (RBV) yang menganggapnya sebagai salah satu sumber yang berharga kepada organisasi.

Katakunci: Pengurusan sumber organisasi, Hubungan perniagaan, Operasi gudang, Keusahawanan.

1.1 PENGENALAN

Umum telah mengetahui bahawa tiada sebuah organisasi perniagaan mampu kekal tanpa mempunyai hubungan perniagaan dengan organisasi lain. Malah, walaupun sesebuah organisasi itu mempunyai produk atau praktis yang baik tetapi masih tidak mampu untuk berjaya dalam perniagaannya jika ia tidak mempunyai hubungan yang baik dengan pihak lain. Baris ayat tadi jelas menerangkan tentang kepentingan hubungan perniagaan kepada organisasi.

Secara asas, perniagaan bergantung kepada pembangunan dan pengekalan hubungan dengan pekerja, pembekal, pengedar, pelanggan iaitu individu atau entiti yang terlibat dalam proses-proses perniagaan bagi sesebuah organisasi. Organisasi yang memupuk dan mengekalkan hubungannya akan lebih

Keperluan kepada perhubungan bukan sahaja wujud pada organisasi secara keseluruhan tetapi turut melibatkan jabatan atau unit operasi organisasi tersebut. Dalam kontek kajian ini, unit operasi pergudangan telah dipilih untuk dijadikan lapangan kajian bagi menilai impak hubungan perniagaan terhadap operasinya. Ia telah dipilih disebabkan unit pergudangan merupakan satu unit yang unik yang mana ia perlu berhadapan dengan dua situasi iaitu penerimaan input perniagaan daripada pihak pembekal dan pengedaran output perniagaan kepada pihak pengedar atau pelanggan. Kegagalan perhubungan dengan dua pihak tersebut sudah tentu mampu menjejaskan operasi perniagaan secara keseluruhan.


Setelah melihat dan menilai kesesuaian lapangan yang akan dikaji, kajian ini hanya fokus kepada hubungan perniagaan dengan entiti luar yang bukan merupakan sebahagian daripada organisasi terbabit. Kajian ini telah dilakukan di populasi pengilang di Semenanjung Malaysia yang mempunyai lesen Gudang Pengilang Berlesan (GPB) yang dikeluarkan oleh pihak Kastam Diraja Malaysia (KDRM).

1.2 TINJAUAN LITERATUR.

Organisasi berada di dalam suatu persekitaran di mana wujud pelbagai pihak dalam persekitaran tersebut dan pihak-pihak ini membentuk jaringan kepada organisasi berkenaan. Organisasi perlu membina hubungan dengan ahli-ahli tersebut sebagai satu cara untuk membantunya mencapai matlamat-matlamat yang disasarkan. Dalam kontek organisasi perniagaan, hubungan yang dibina dengan organisasi lain di dalam jaringan perniagaannya dikenali sebagai hubungan perniagaan. Hubungan ini boleh dimaksudkan sebagai proses kebergantungan secara berterusan dalam interaksi dan pertukaran antara sekurang-kurangnya dua pihak dalam kontek jaringan perniagaan.

Menurut Holmlund & Törnroos (1997), sesuatu perhubungan adalah berasaskan kepada pertalian yang mengikat pihak-pihak terbabit untuk bersama. Perhubungan dalam jaringan perniagaan telah dikaji menerusi pandangan dyadic iaitu melibatkan dua rakan perniagaan. Walau bagaimanapun, perhubungan perniagaan itu boleh disusuri melalui pendekatan triad iaitu tiga rakan perniagaan dan malah lebih daripada itu. Semakin banyak rakan perniagaan terlibat, maka semakin meningkat perluasan perhubungan yang membentuk rantaian hubungan dalam jaringan organisasi tersebut.


Pemilihan rakan perhubungan bukan dilakukan secara tidak terancang malah ia bersifat sistematik (Ghisi & Martinelli, 2006). Hanya organisasi di dalam jaringan yang dilihat oleh sesebuah organisasi tersebut sebagai organisasi yang ia boleh bergantung harap dan berupaya membantu mencapai maksud perniagaannya akan dipilih sebagai rakan perhubungan. Penyusunan secara bersistematis mampu menyediakan kelebihan daya saing kepada pihak-pihak yang berhubungan (Love & Thomas, 2004).

segala koordinasi dan usahasama bersama rakan perhubungan membawa ke arah perolehan keputusan yang melampaui apa yang mampu dicapai oleh organisasi berkenaan jika ia bertindak secara bersendirian (Anderson & Narus, 1990).


Segala elemen yang perlu ada dalam perhubungan ialah kebergantungan. Sytch dan Gulati (2008) yang telah menetapkan keberkesanan organisasi kepada organisasi yang lain boleh memberikan nilai yang besar disebabkan nilai yang terkumpul (dari kedua-dua organisasi tersebut) dapat dianggap-agihkan yang mana kedua-dua pihak dapat menikmati nilai tersebut dan seterusnya akan dapat meningkatkan prestasi masing-masing. Kebergantungan boleh ditakrifkan sebagai the extent to which a trade partner provides important and critical resources for which there are few alternative source of supply (Skarmeas & Katsikeas, 2001). McQuiston (2001) menyatakan kebergantungan merupakan faktor penting dalam membina hubungan antara organisasi yang terlibat.


Berbalik kepada isu utama yang telah diketengahkan sebelum ini, kajian mendapat bahawa wujud kebarangkalian untuk hubungan perniagaan mempunyai hubungan dan berpengaruh secara signifikan ke atas prestasi penyelenggaraan. Satu penyataan hipotesia seperti berikut telah didahului sebagai usaha untuk memperolehi jawapan kepada isu dan seterusnya ke arah pencapaian matlamat kajian.

H1 Hubungan perniagaan mempunyai hubungan positif dan berpengaruh secara signifikan ke atas prestasi operasi penyelenggaraan.

1.3 KADEDAH KAJJIAN.

Kajian ini telah dilakukan ke atas pengilang yang mempunyai lesen Gudang Pengilang Berlesen (GPB) yang dikeluarkan oleh Kastam Diraja Malaysia (KDRM) meliputi seluruh negeri-negeri Semenanjung Malaysia. Terdapat sebanyak 1958 buah pengilang yang mempunyai lesen GPB yang diperolehi daripada KDRM di Semenanjung Malaysia.
Pendekatan tinjauan telah digunakan dalam kajian ini dan saiz sampel kajian ialah sebesar n=320 yang diperoleh berdasarkan jadual penentuan saiz sampel yang disediakan oleh Krejcie dan Morgan (Sekaran, 2003). Untuk memperoleh jumlah sampel kajian sebanyak 320 responden, kajian ini telah mengambil sejumlah 800 responden yang dipilih secara rawak daripada keseluruhan populasi kajian.


Maklumbalas yang diterima oleh kajian ini adalah sebanyak 109 tetapi hanya 102 sahaja yang dapat digunakan dan berada di dalam keadaan baik. Selebihnya iaitu sebanyak tujuh maklumbalas dianggap rosak dan tidak berguna untuk kajian ini. Oleh itu, kajian ini hanya memperoleh kadar maklumbalas sebanyak 12.75% daripada jumlah keseluruhan soalselidik yang telah diposkan.

1.3.1 Pengukuran Pembolehubah


Skala pengukuran yang digunakan dalam kajian ini ialah skala pengukuran 6 mata julat. Penggunaan pendekatan 6 mata julat menyaksikan kajian ini tidak menyediakan mata julat tengah (mid point) atau neutral point. Ketiadaan neutral point sesuai untuk kajian yang mempunyai responden yang benar-benar memahami dan mampu membuat keputusan yang tepat dan betul berkaitan dengan sesuatu fenomena yang berlaku di dalam fokus kajian. Responden kajian yang terdiri daripada pengurus atau pegawai gudang merupakan individu yang mampu membuat keputusan yang betul dan tepat.

Jadual 1: Ujian Kebolehpercayaan Instrumen

<table>
<thead>
<tr>
<th>Pembolehubah</th>
<th>Cronbach Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hubungan Perniagaan</td>
<td>0.919</td>
</tr>
<tr>
<td>Prestasi Pergudangan</td>
<td>0.756</td>
</tr>
</tbody>
</table>

Keputusan ujian menunjukkan tahap kebolehpercayaan yang memuaskan berdasarkan rujukan kepada Hair, Black, Babin, Anderson & Tatham (2006). Hasil ujian tersebut menunjukkan tiada item yang dibuang daripada senarai asal instrument kajian. Ujian ini juga telah mengesahkan bahawa instrumen ini boleh digunakan dalam lapangan ujian yang sebenar.

1.4 DAPATAN KAJIAN.

Data yang diperolehi daripada maklumbalas responden telah disemak terlebih agar memenuhi beberapa persyaratan sebelum sesuatu keputusan ujian inferensi dapat diterima. Hasil ujian mendapati data tersebut bertaburan secara normal, berhubungan linear antara pembolehubah yang dikaji dan bebas daripada permasalahan multivariate outlier.

Untuk menjawab hipotesis kajian, dua bentuk ujian perlu dilakukan iaitu ujian kolerasi dan ujian regrasi. Ujian kolerasi dilakukan bagi melihat tahap kekuatan dan hala hubungan antara dua pembolehubah. Ujian regrasi dilakukan bagi mengukur tahap pengaruh sesuatu pembolehubah peramal ke atas pembolehubah outcome. Hasil ujian kolerasi dapat dirujuk pada Jadual 2.


Jadual 2: Kolerasi Berbilang Antara Pembolehubah Kajian.

<table>
<thead>
<tr>
<th>Hubungan Perniagaan</th>
<th>Prestasi</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.414**</td>
</tr>
<tr>
<td>Prestasi</td>
<td>1</td>
</tr>
<tr>
<td>N</td>
<td>102</td>
</tr>
</tbody>
</table>

Nota: **Korelasi adalah signifikan pada tahap 0.01 (2-hujung).


76
Nilai Kolerasi Pearson (r) | Penilaian
--- | ---
-0.10 to -0.29 dan +0.10 to +0.29 | Lemah
-0.30 to -0.49 dan +0.30 to +0.49 | Sederhana
-0.50 to -1.00 dan +0.50 to +1.00 | Kuat

Berdasarkan kepada Jadual 3, didapati $R^2 = 0.171$. Nilai $R^2$ adalah sebagai koefisien determinasi yang bererti 17.1% prestasi pergudangan boleh dijelaskan oleh hubungan perniagaan. Bakinya (100% - 17.1% = 82.9%) dijelaskan oleh sebab-sebab lainnya. Keputusan di Jadual 3 menunjukkan bahawa persamaan regrasi Prestasi pergudangan = 3.020 + 0.314 HP. Berdasarkan cadangan daripada Santoso (2000), maksud konstan dan persamaan tersebut mengambarkan bahawa tanpa hubungan perniagaan, prestasi operasi pergudangan adalah 3.020. Koefisien regresi hubungan perniagaan sebesar 0.314 menyatakan setiap penambahan (kerana bertanda +) hubungan perniagaan dapat meningkatkan prestasi pergudangan sebanyak jumlah ke atas daraban 0.314.

Jadual 4:Ujian Regrasi Hubungan Perniagaan - Prestasi Pergudangan.

<table>
<thead>
<tr>
<th>Pembolehubah</th>
<th>B</th>
<th>SEβ</th>
<th>β</th>
<th>t</th>
<th>p</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outcome: Prestasi Gudang</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Peramal: Hubungan Perniagaan (HP)</td>
<td>.314</td>
<td>.069</td>
<td>.414</td>
<td>4.544</td>
<td>.000</td>
</tr>
<tr>
<td>$R^2$</td>
<td>.171</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adj $R^2$</td>
<td>.163</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$F$</td>
<td>20.646</td>
<td>p = .000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Konstant</td>
<td>3.020</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Nota: $p \leq 0.05$ adalah signifikan.

Selanjutnya, hasil ujian Koefisien mendapati $t = 4.544$ dan $p < 0.05$. Petunjuk tersebut telah menyatakan bahawa hubungan perniagaan adalah secara signifikan berpengaruh ke atas prestasi pergudangan. Dengan lain perkataan, hubungan perniagaan mempengaruhi prestasi operasi pergudangan dengan sumbangan sebanyak 17.1% sahaja. Oleh itu, berdasarkan kepada keputusan ujian kolerasi dan regrasi mendapati kajian ini perlu menerima hipotesis H1 iaitu hubungan perniagaan mempunyai hubungan positif dan berpengaruh secara signifikan ke atas prestasi operasi pergudangan.

1.5 KESIMPULAN DAN PERBINCANGAN.

Kajian telah mendapati bahawa hubungan perniagaan didapati mempunyai hubungan yang positif dengan prestasi operasi pergudangan. Ini membawa maksud bahawa jika terdapat peningkatan dalam hubungan perniagaan, ia turut akan meningkatkan prestasi pergudangan. Dapatan kajian ini sedikit sebanyak dapat membantu meningkatkan pengetahuan mengenai kepentingan hubungan perniagaan...
dalam rantaian bekalan secara amnya dan pergudangan secara khususnya kerana Yang (Yang, 2009) telah menyatakan kekurangan kajian berkaitan perkara tersebut.


Hasil kajian menunjukkan hubungan perniagaan adalah berpengaruh secara signifikan ke atas operasi pergudangan. Persamaan regrasi yang wujud turut menjelaskan bahawa sebarang usaha penambahbaikan dalam hubungan perniagaan akan dapat membantu ke arah peningkatan prestasi. Dapatan kajian ini dapat memberikan jawapan kepada isu yang dibangkitkan dalam kajian ini dan seterusnya dapat membantu pengurus dalam membuat keputusan pengurusan tentang hal yang terkait dengan hubungan perniagaan.


Bagi memperluaskan pengetahuan tentang fenomena hubungan perniagaan dengan prestasi organisasi, adalah disarankan penelitian masa akan datang membuat perbandingan tahan pengaruh hubungan perniagaan dengan lain-lain sumber organisasi ke atas prestasi organisasi. Ini kerana terdapat pihak menyatakan sumber organisasi seperti modal insan (Barney, 1991), kemahiran pengurusan (Carmeli & Tishler, 2004a), budaya organisasi (Carmeli & Tishler, 2004b) dan lain-lain lagi turut dianggap sebagai sumber berharga dan penting kepada organisasi. Pengetahuan tentang tahan pengaruh sesuatu sumber ke atas prestasi berbanding sumber lain dapat membantu pengurus menentukan sumber manakah yang patut diberikan perhatian serius dan sumber manakah pula yang patut dikemudiankan. Ini kerana pengurusan tidak mampu untuk memperoleh kepada semua sumber yang ia patut peroleh dan ia juga tidak punya masa dan tenaga yang cukup untuk memberikan perhatian kepada pelbagai sumber dalam satu-satu masa. Pemperolehan sumber yang betul dan pengamalan sumber yang tepat sudah tentu dapat membantu pengurus mencapai tahap prestasi yang optimum melalui pendekatan pengurusan yang cekap dan berkesan.

RUJUKAN


The purpose of this paper is to examine the relationship between dimensions of hygiene factors and intention to leave among prison personnel, as well as to identify any dominant dimension of hygiene factor that has higher effect than other dimensions related to intention to leave. This is done by mean of survey, where questionnaires were distributed to 310 randomly selected respondents. The statistical method involved reliability test, Pearson correlations and multiple regression. The data was analyzed by using SPSS version 16.0. The findings indicate that there is significant negative relationship between three dimensions of hygiene factor and intention to leave, however only one dimension was found to be not significant. Coworker is the dominant dimension that has the highest influence on intention to leave. These findings show that the related factors should be given attention to retain employees in the organization. Some suggestions have been made to the organization concerned and for the new direction of future research.

Keywords: Hygiene Factors, Intention to Leave, Job Satisfaction

1.1 Introduction

This paper is about a study which was conducted among prison personnel who work with the prison departments in Northern Region of Malaysia. Through the study, four dimensions of hygiene factors that affect the intention to leave of the prison personnel were examined, namely, pay, working condition, supervision, and coworkers. The paper starts by presenting a brief review of the literature that focuses on hygiene factors, underpinning theory to the highlighted issue and the intention to leave. Subsequently, the paper describes the research method and followed by the conclusion with the discussion of the findings and their managerial and research implications.

2.1 Literature Review
2.1.1 Concept and Model Intention to Leave

Intention to leave is one of the psychological phenomena of an individual who has an intention or plan to quit his or her job. According to Bigliardi, Petroni and Ivo Dormio (2005), intention to leave refers to individuals’ apparent probability that they will be staying or leaving the employer organization. Employees with high extraction intentions from organization personally assess that they will be leaving the organizations in the future (Mowday, 1982). Tett and Mayer (1993), had initiated the definition for employees’ intention to leave as a mindful and deliberate willfulness of the employees to leave the present organization. Blau (2000), simply defines intention to leave occupation as the degree of employees’ requirements or intention to depart the organization. Nevertheless, according to Mobley (1878), the real turnover is predictable to amplify as the intention increases.

Muchinsky (1993), has suggested a representation of employee turnover based on some hypothesizes linked between satisfactions and quitting. These include thinking out quitting, looking for a different job, intending to relinquish or continue and in fact to quit or stay. Mobley (1997), find that dissatisfaction would guide people judgment of quitting. Mobley’s model as depicted in Figure 1 below shows a key step of thinking job satisfaction to turnover (Muchinsky, 1993).

![Diagram](image-url)

**Figure 1: Representation of the Intermediate Linkage in the Employee Turnover Process**
In general, turnover creates monetary and structural stress on the organization especially voluntary turnover. At least with spontaneous turnover, the organization can make arrangements to reduce losses. There are many ways in which the organization can consider in an effort to reduce turnover intention. Apart from offering attractive remuneration packages, the organization could also create the environment of the workplace which is free from stress or boredom. On top of that, a leadership style which focuses on the relationship approach (employee-centric) could somewhat reduce the rate of turnovers as the employees feel their leader (by showing special regard to their subordinates), is considerate and attentive. The employees also know that they have voice and the leader values and recognize their contributions.

2.1.2 Factor Affecting Intention to Leave

According to Arnold & Feldman (1996), there are varieties of factors that cause people to have a feeling of disappointment about their job. Furthermore, several employees might satisfy with only some aspects of their work but dissatisfy with additional or other aspects (Mullins, 2002).

2.1.2.1 Pay

Research appears to be confusing regarding the implementation of pay on the intention to leave. According to Berry (1997), lack of observed substantiation exists to point that pay alone improves worker fulfillment or reduces dissatisfaction. Berry, (1997), adds that extremely paid employees may still be dissatisfied if they do not like the environment of their job and believe they cannot enter a more satisfying job.

Apart from that pay is viewed as part of the approve system used in the organization to motivate implementation with its rules and regulations (Mueller & Price, 1990). While Lum, Kervin, Clark, Ried and Sirola (1998) explain that for the individual employee, pay is regarded as a significant rewarded and result. According to Moore (2002), unfairness in terms of lack of acknowledgment and poor pay frequently may cause employees to have an intention to leave the organization.

2.1.2.2 Working Condition

As we know that workers moderately desire working condition that which could bring better physical comfort and expediency. Working condition also refers to the working environment and aspects of an employee’s conditions and circumstances of employment. This covers matters such as: the association of work and work activities; training, skills and employability; health, protection and well-being; and working time and work-life balance. The non-attendance of such working conditions, surrounded by other things, can crash poorly on the worker’s mental and physical well-being (Baron & Greenberg, 2003). While Robbins (2001), advocates that working condition will manipulate job satisfaction, as well as causing employee to have the tendency of leaving the organizations.

Moreover, according to Arnold and Feldman (1996), factors such as temperature, lighting, aeration, hygiene, noise, working hours and resources are all part of working conditions. Employees may sense that poor working condition will only aggravate negative presentation and thus start to have an intention to quit. This intention might occur as job is related with emotionally and physically demanding.
2.1.2.3 Supervision

The theoretical definition of the supervision is ‘planning, controlling and organizing the work of others through face contact with subordinates’ (Fisher, Schoenfeldt & Shaw, 1993). The supervision in this study means that the suggestion and surveillance that the supervisor give to his or her assistants to help them to execute their jobs better. The supervision also includes the manner shown by the supervisor to the workers when he or she oversees them. A study by Moore (2002) found that social support from supervisors condensed the level of employee intention to leave, in some way through reduced levels of burnout. A parallel study by Kalliath and Beck (2001), reported that supervisory support concentrated not only on those symptoms of burnout but also in a straight line and not directly on employees’ intention to quit.

2.1.2.4 Coworkers

Ducharme and Martin (2000), state that coworkers' relationship is the friendship, reception, and faithfulness built up in between the members of a group, which also refers to the level of the subordinates' self-assurance, trust, and esteem in their leaders and. The word coworker can refer to any individual with whom one works 'including supervisors and subordinate employees’ (Chen, 1989). Coworker relationships are frequently unspecified to refer particularly to relationships among peer employees. If the managers can triumph support and trust from the subordinates and the coworkers, the managers' capability to influence will be much better than the unsupported managers (Fiedler, 1977).

Graen and Cashman (1975), anticipate that, between the leaders and subordinates, the subordinates play a detrimental part in the relationship. Whilst Tsao’s (1990), research indicates that the excellence of the coworkers' relationship reveals the efficiency of communication between the two parties, as well as a symbol of how well the two parties organize with one another. Coworkers' behaviors also have an effect on the relationship between the coworkers. Coworkers’ relationships were mostly ignored in early formal theories of management. For instance, Bureaucratic theory (Weber, 1946) and Administrative Management theory (Fayol, 1949) focused almost exclusively on hierarchy, authority, and, accordingly, supervisors. Effective communication was prearranged as downward and formal, focusing on supervisors instructing, controlling, and disciplining subordinate employees.

3.1 Hypotheses Development

Based on the above-mentioned arguments the hypotheses of this study are established as follows:

3.1.1 Pay and Intention to Leave

Job dissatisfaction, which ending up with turnover among employees has been commonly researched and modeled (Hom & Griffeth, 1995). Job satisfaction has been repetitively found to show a relationship with organizational commitment (Kinicki, 2002), and correlate negatively with the intention of an individual to leave the organization or profession (Chelladurai & Ogasawara, 2003; Hom and Griffeth, 1995; Meyer and Allen, 1997).
One of the critical aspects of job satisfaction which is normally measured on job satisfaction scales such as the Job Descriptive Index or Job Diagnostic Survey is satisfaction with pay (Chelladurai, 1999). This component is of importance to employees, as pay may be one way a worker measures whether or not the time they spend in training is worth the time and endeavor put into working. Using difference theory (Rice, 1989), argues that workers’ satisfaction is a purpose of what they distinguish their donations and job necessities are and what they recognize they should receive (Chelladurai, 1999). One standard that employee may use is what new workers within an organization accept. Employees will feel satisfied with pay if what they are getting equates to the time, energy and effort they are inputting, with relation to what other workers receive.

On the other hand, if they feel that their efforts and assistance exceed the outputs from the organization and job, especially in pay, dissatisfaction may occur. With this greater than before dissatisfaction, many employees may believe exiting the occupation. In testing a model relating job dissatisfaction to employee turnover, Homand and Kinicki (2001), found that role disagreement decreased job satisfaction and increased opinion of abandonment that eventually lead to turnover. The following hypothesis is offered:

**H0: There is no relationship between pay and intention to leave**
**H1: There is relationship between pay and intention to leave**

### 3.1.2 Working Condition and Intention to Leave

Gregory (2007), found that a lot of previous studies proposed a multidimensional linear process of employees turnover that incorporates determinants (e.g. job related and work environment), behavioral intentions (e.g. intent to stay/leave), and correlates (e.g. individual characteristics). Additionally, determinants are frequently conjectured to apply straight belongings on attitudes and indirect effects on turnover intentions via attitudinal states.

Following these findings, this study hypothesizes that determinant (i.e. working environment) wield undeviating effects on middle outcome (i.e. job satisfaction) and outcome (i.e. turnover intention). Intermediate outcome (i.e. job satisfaction) exerts a direct effect on result (i.e. turnover intention) and mediates the belongings of determinant (i.e. environment). The literature supports that there exists the effects of organizational attributes (e.g. group cohesion, interpersonal relations, role overload, autonomy, leadership style, etc) on employees’ turnover intentions throughout job satisfaction (Boyle et al., 1999; Cavanagh and Coffin, 1992; Taunton et al., 1997). As well, job satisfaction has been found to be a serious forecaster of intention to stay (Boyle, 1999; Cavanagh and Coffin, 1992; Sourdif, 2004). The following hypothesis is offered:

**H0: There is no relationship between working condition and intention to leave**
**H1: There is relationship between working condition and intention to leave**

### 3.1.3 Supervision and Intention to Leave

Supervision has been shown to moderate the relationship between burnout and work outcomes such as intention to depart (Muhammad and Hamdy, 2005). Furthermore, Van Dierendonck (2001), by a quasi-experimental design, reported that social support from work colleagues and predominantly the instantaneous supervisor moderated the relationship between burnout and intention to leave. Particularly, intention to leave decreased with employees who reported higher levels of social support while turnover intention increased with employees who reported lower levels of social support. As a result, be expecting that supervision will moderate the relationship between burnout and intention to
leave such that the crash of burnout on intention to depart will decrease with rising levels of supervision.

H0: There is no relationship between supervision and intention to leave
H1: There is relationship between supervision and intention to leave

3.1.4 Coworkers and Intention to Leave

On the other hand, coworkers are proximal to their colleagues, in immediate contact with them, and of equal status. Their influence on peers’ work outcomes is sizeable, even when controlling for leader influences (Chiaburu and Harrison, 2008). As a result, the influence of one’s coworkers training transfer may be stronger than the one coming from the organization and the supervisor, precisely because of the continuous instability of information and other critical resources originating imaginatively (from colleagues). So, if the coworkers not satisfied with their job they will leave the organization and find another job.

H0: There is no relationship between coworkers and intention to leave
H1: There is relationship between coworkers and intention to leave

4.1 The research methodology

4.1.1 Population and sample

Population refers to the entire group of people, events or things of interest that the investigator wishes to investigate, and the population may be meticulous type or a more limited part of that group or all the individuals of that group (Sekaran, 1992). Sampling design and sampling size are crucial, when using an appropriate sampling design and size it can help to produce appropriate results to the research population (Sekaran, 2003). In this study, the population that is the prison personnel is 1600. According Krejcie and Morgan (1970), for population around 1600 the sample size should be 310.

4.1.2 Measurement

This study used the questionnaire in the determining the relationship of the independent variables (i.e. pay, working condition, supervision, coworkers, job security and dependent variable (intention to leave). A survey instrument in the form of close-ended questionnaire was developed. The questionnaire was adopted from the original sources and some of them were modified to suite the context of the study. It is a seven-page questionnaire which is separated into three sections respectively, that is section A, section B, and section C. All sections in the questionnaires are conducted in two languages namely English and Bahasa Malaysia, for the purpose of comprehension enhancement.

Section A is about the background of the respondent. The first section of the questionnaire requires information pertaining to the personal and demographic data of respondents. It covers the information such as age, gender, rank, year of service, marital status, total of dependency and highest level of education.

While Section B is related to hygiene factors in which the items was adapted from Job Descriptive Index or JDI (Smith, Kendall & Hulin, 1969), and the Minnesto Satisfaction Questionnaire or MSQ (Weiss, Darwis, England & Lofquist, 1967). This section assesses satisfaction or dissatisfaction with three different job dimensions: pay, supervision and coworkers. It consists of 26 items which are
distributed across four dimensions of hygiene factors: Pay (8 items), Working condition (5 items), Supervision (8 items), and Coworkers (5 items)

Finally Section C focuses on intention to leave. This last section consists of questions that measure the intention of respondents to leave the organization. It consists of four items which was developed by MACRO organization in measuring intention to quit (Staw, 1980).

Respondents were asked to answer or respond to all items in the questionnaire, to show their degree of agreement or disagreement. In order to make it easier for the respondents to comprehend the format and produce more precise answers, Five – Point Likert – type scale was used. The scales are given as follows:

1 = Strongly Disagree 2 = Disagree 3 = Neutral 4 = Agree 5 = Strongly Agree

The respondents were requested to point toward their level of agreement by choosing a scale that corresponds to what they think or feel. Then they were asked to tick the answer that most accurately characterizes how they agree or disagree about the announcement. The reply option range from “strongly disagree” to “strongly agree”. A numerical code was used to transform the responses to data values that can be subjected to statistical analyses.

5.1 Result

5.1.1 Demographic

Based on the information on the employee service years, it shows that a total of 108 or 34.8% respondents are working between 5 – 6 years, 77 or 24.8% of the respondents have been working for nine years and more, 68 or 21.9% of the respondents have been working between 7 – 8 years. 41 or 13.2% of the respondents have been working for 3 – 4 years and about 16 or 5.2% of the respondents are new employees who have been working for 1 – 2 years. The result of age distributions suggests that the greatest numbers of the respondents are in their 31 – 35 (33.2%) age group, followed by respondents aged 46 years and above (22.6%), then followed by respondents 26 – 30 (13.9%), 41 – 45 (12.9%), 36 – 40 (11.6%), and the lowest 5.8% of them aged 20 – 25 years.

While, 45.2% of the respondent have total dependency less than 3, 33.5% of the respondents have total dependency between 4 – 7 persons, about 12.9 % of the respondents have total dependency more than 8 persons and 8.4% or 26 workers none of the total dependency. Out of 310 respondents, about 278 or 89.7% of the prison personnel who are working in prison personnel in Northern Region of Malaysia are male, the rest are female which represent 32 or 10.3%. Majority of the respondents are married which represent 91% that is about 282 people out of 310 respondents. Meanwhile, 28 or 9 % respondents are still single. Furthermore, the highest level of education of respondents shows that 212 or 68.4% the respondents have received their SPM (Sijil Pelajaran Malaysia), meanwhile 93 or 30% of the responden ts have received their PMR (Penilaian Menengah Rendah). Only 5 or 1.6% have completed their diploma respectively.

5.1.2 Hypotheses Testing

The result of the correlation analysis was used in testing the four hypotheses as discussed in the following sections. The relationship between various variables was tested using a pearson product – moment correlation coefficient. It is being supported as an appropriate way in explaining relationship
between two continuous variables (Sekaran, 2000; John, 2008). The coefficient of the correlation is ranged between -1 and +1 and such value shows the strength of relationship which has been categorized into high, low or moderate depending on the value of correlation coefficient. The level of significance can be either 0.05 or 0.10 for lower and higher coefficient respectively.

The result in table 1 below shows the correlation analysis for pay \( (r = -0.142, p=0.012) \), is significant. This indicates that there is low negative relationship between pay and intention to leave. Therefore, the null hypothesis which states that there is no relationship between pay and intention to leave is rejected.

The result of correlation analysis \( (r = -0.169, p = 0.003) \) for working condition is significant, which indicates that there is low negative relationship between working condition and intention to leave. Thus, null hypothesis which states that there is no relationship between working condition and intention to leave is rejected.

The result of correlation analysis \( (r = 0.290, p = 0.612) \) for supervision is not significant. This result indicates that the supervision somewhat does not relate to intention to leave. Thus, the null hypothesis states that there is no relationship between supervision and intention to leave is accepted.

The result of correlation analysis \( (r = -0.215, p = 0.000) \) for coworkers is significant, which shows that coworkers has very low negative relationship with intention to leave. Thus, the null hypothesis: there is no relationship between coworkers and intention to leave is rejected.

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Pearson ((r))</th>
<th>Level of significance ((p))</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pay</td>
<td>-0.142</td>
<td>0.012</td>
</tr>
<tr>
<td>Working Condition</td>
<td>-0.169</td>
<td>0.003</td>
</tr>
<tr>
<td>Supervision</td>
<td>0.290</td>
<td>0.612</td>
</tr>
<tr>
<td>Coworkers</td>
<td>-0.215</td>
<td>0.000</td>
</tr>
</tbody>
</table>

** correlation is significance at the 0.05 level (2-tailed)

Table 1: Relationship between Pay, Working Condition, Supervision, Coworkers and Intention to leave

5.1.3 Regression analysis

The model summary of the multiple regression as shown in Table 2 below explains the value of \( R \) which represents 0.253 or 25.3% of four variance for hygiene factors dimensions: namely pay, working condition, supervision and coworkers. The result shows 6% of the variance (R square) in dependent variable has been significantly explained by dimensions of independent variable.

The results in Table 3 indicate that the predictors (pay, working condition, supervision, coworkers) are significantly related to intention to leave. The model in this study reaches statistical significance of 0.000 \((p<0.01)\).

Table 4 summarizes the overall Beta value each variable in the hygiene factors dimensions. The Beta value for pay is \( \beta = -0.039, p >0.05 \), working condition \( \beta = -0.014, p >0.05 \), supervision \( \beta = 0.057, p >0.05 \) and coworkers \( \beta = -0.173, p <0.01 \). However, coworkers shows the highest Beta values and the most significant compared to other hygiene factors dimensions \( \beta = -0.173, p <0.01 \). Thus coworkers have the highest effect on intention to leave. This means that
coworkers are the dominant factor influencing the intention to leave of the prison personnel. Hence, based on finding the multiple regression equation can be stated as follows:

\[ Y = \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + B_4 X_4 + e \]

\[ Y = -0.039p - 0.114wc + 0.057s - 0.173c + e \]

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.253(^a)</td>
<td>.064</td>
<td>.052</td>
<td>1.07284</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Coworkers, Supervision, Pay, Working

**Table 2: Model Summary**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>23.938</td>
<td>4</td>
<td>5.985</td>
<td>5.199</td>
<td>.000*</td>
</tr>
<tr>
<td>Residual</td>
<td>351.049</td>
<td>305</td>
<td>1.151</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>374.987</td>
<td>309</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Coworkers, Supervision, Pay, Working

b. Dependent Variable: Intention to Leave

**Table 3: ANOVA\(^b\)**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>3.615</td>
</tr>
<tr>
<td></td>
<td>Pay</td>
<td>-.065</td>
</tr>
<tr>
<td></td>
<td>Working</td>
<td>-.159</td>
</tr>
<tr>
<td></td>
<td>Supervision</td>
<td>.114</td>
</tr>
<tr>
<td></td>
<td>Coworkers</td>
<td>-.187</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Intention To Leave

**Table 4: Coefficient**

6.1 Discussion and Implications

6.1.1 Discussion

The underpinning theory in this study is Motivation Hygiene Theory also known as Two Factor Theory. The primarily goals of this study is to determine relationship between hygiene factor with intention to leave job. Based on the analyses above, out of four dimensions of hygiene factor, three of them support the hypotheses testing, thus this study shows that there is a negative relationship between hygiene factors with intention to leave. The discussion in the following paragraph relates the research findings the objectives and the hypotheses of the study.
6.1.1.1 Objective one: To determine the relationship between pay and intention to leave among prison personnel.

The result of the study shows that there is negative relationship between pay and intention to leave. It is consistent with the alternative hypothesis (H1) of this study there is relationship between pay and intention to leave. This is supported by Schermerhon (2000) saying that dissatisfaction with the salary and pay can lead to turnover intention. The study that done by Weiner (as cited in Muchinsky, 1993) with the public service worker shows that the more dissatisfied the employee with pay, the more likely for them to quit. Cotton et al., (as cited in Fisher, 1993), indicates that the employees who are more satisfied with their job as a whole (i.e. pay, the nature of the work, supervision and coworkers) are less likely to leave the organization. The similar finding was also reported by Salmon, Crews, Scanlon, Jang, Weber and Oakley (1999), whereby they identified that there is a correlation between pay and intention to leave of employees.

According to Valias and Young (2000), a research conducted by the Alberta Association of Rehabilitation Centers in 1998, found that possible reason for turnover intention include low wages which 27% of total reasons for turnover. In addition, Valias and Young also highlighted a recent study reported by Larson and Larkin (1999) who found that the 48% turnover in private facilities and 13% in public operated group home has consistent and significant factor related to starting salaries.

6.1.1.2 Objective two: To determine the relationship between working condition and intention to leave among prison personnel.

In the case of working condition, study shows that, it (working condition) has a significant relationship with intention to leave. Thus, it is consistent with the alternative hypothesis (H1) of this study there is relationship between working condition and intention to leave. The factor of working condition is also proven to have significant influence over the prison internal environment. The physical design of the place (due to its nature and purpose), does have certain impact on the job satisfaction. As such, to the prison personnel, since their jobs are mentally and physically demanding, the physical condition of their workplace could somehow affect their momentum. Arnold and Feldman (1996), argue factors such as temperature, lighting, ventilation, hygiene, noise, working hours and resources from all types of working conditions.

According to Locke’s Value theory (Baron and Greenberg 2003), it advocates that if too much value is placed on a particular factor; stronger feelings of dissatisfaction will occur. Locke’s theory is therefore multifaceted and greatly specific for each individual. According to these discussions and my findings we can see that work conditions have a significant relationship with job satisfaction. The prison management will depend on improved work conditions to increase employee job satisfaction and loyalty, and the satisfied employees can help increase organizational performance or avoid employee turnover.

6.1.1.3 Objective three: To determine the relationship between supervision and intention to leave among prison personnel

While pay and working condition have been proven to be negatively related to intention to leave, but this is not as in the case of supervision. It is consistent with the alternative hypothesis (H1) of this study there is relationship between supervision and intention to leave. This is contradict with previous research, for instance Cotton and Tuttle (1986), who indicate that supervision is negatively related with intention to leave. Besides that, a research on the CPA’s (accounting firm) also found a negative relationship between supervision and intention to leave (Yamamura and Stedham, 1998).
In the context of the prison organization, since it is one of the critical organizations, the prison personnel is working under a very tight rules and procedures. This means that there is no compromise or flexibility in supervising the prison personnel (by the superiors) when they perform respective jobs. However, albeit the supervision is done in rigorousness manner, based on the finding of this study, what we can see is that there is no problem between the prison personnel and superior/supervisor in terms of the relationship in a form of supervision. Perhaps this could be due to the successfulness of the leaders of the prison department in creating and fostering among their subordinates the spirit of togetherness and the thinking of being in one family. This situation could somehow cause the prison personnel to have positive attitude towards their leaders even though they are being strictly supervised at the workplace.

### 6.1.1.4 Objective four: To determine the relationship between coworkers and intention to leave among prison personnel.

Finally in terms of the relationship between coworkers and intention to leave, both variables are are found to be negatively related. Thus, it is consistent with the alternative hypothesis (H1) of this study there is relationship between coworkers and intention to leave This is consistent with the previous studies such as Cotton and Tuttle (1986) and Masdia (2009). Furthermore, this finding also supported with previous research done by Malkovich and Boudreau (1997), in which they found that employee intention to leave or stay is influenced by human resource activity.

### 6.1.1.5 Dominant Factors Influencing Intention to Leave

The findings indicate that coworker is the dominant dimension that has the highest effect on intention to leave. The relationships within coworkers carry out many significant functions such as mentoring, information exchange, social support, control and influence. As a matter of fact, employees are normally spent more time with their coworkers than with anyone else at work (Comer, 1991). In addition, more time are taken by employees to interact with their coworkers as compared to time they spend with family and friend outside office hour. So when someone has problem with coworkers there is a possibility that it might affect his or her work and consequently he or she has an intention to leave the organization. In this regard, top management of the prison must take precautionary measures to forestall any future trouble due to the occurrence of hostility among prison personnel. By doing this, it could enable the management of the prison department to retain its employees, as the issue of employees turnover may bring some problems especially in terms of cost to recruit new workers and the smoothness of department’s operation.

### 6.1.2 Managerial Implications

Hygiene factor dimensions of the Two-factor theory of motivation may be useful as it may forecast the turnover intention of the prison personnel. Accordingly, the results of this study show that three factors of hygiene factor are significantly and negatively related to the turnover intention of the prison personnel. The management ought to have closer look at these three factors and should give a priority in terms of its action to reduce the phenomenon of leaving the department among the prison personnel.

The indication of coworkers as the dominant factor to the occurrence of intention to leave could provide certain guidelines to the management in establishing the climate of working environment which is free from dysfunctional or harmful conflict which could eventually adverse effects to the prison department. On top of that, in the process of recruiting and selecting employees, the
management needs to ensure that only appropriate and qualified candidates who possess the substantial level of emotional intelligent should be offered the job. The department can also conduct further research (in a form of applied research) to specify the components in the coworkers that can contribute to satisfaction of the workers.

As for the supervision factor which was found to has a very low relationship with the intention to leave, the management should not only maintain this favorable indicator, but also to strengthen it so that its beneficial to the prison department could be maximize. This will not only prevent the prison personnel from leaving the organization, in fact it could also enhance their level of motivation. This is consistent with the research findings by Newman and Hodgetts (1998), in which they found that found that good supervision are the top work factors that influence the motivation of the employees in the public organization.

6.1.3 Recommendation for Further Research

Future research might include other variables such as organizational commitment to prediction intention to leave. Hom and Hulin (1981) in Moynihan et al. (1998), who states that organizational commitment should forecast the turnover more accurately rather than job satisfaction alone, supports the above recommendation. In addition, future researches can put emphasis more on human resource procedures such as procedure of recruitment and selection. Study also can be conducted on other correctional center such as rehabilitation center for drug addicts and juvenile delinquency. On top of that, future researchers should also select organizations with high turnover rates especially as more than 40% yearly as a focus of their study, since the outcomes will be more meaningful and useful to that organizati

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**The Concept of Relationship Quality in Government Linked Companies (GLCs): Evidence from Malaysian Automotive Industry**

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**Abstract**

Government Linked Companies (GLCs) represent 36% of total market capitalization in Bursa Malaysia. This percentage contributes a significant role in Malaysian economic backbone. Some GLCs are not performing well and their poor performance has tainted the public perceptions on GLC specifically Proton Holdings Berhad as one of the non-performing GLC in automotive industry. Alarming weak performance and declining market share has diverged from the main purpose of its existence and consequently impact public confidence on its ability to preserve the country’s asset. Product quality and customer service are the means to capture the further weakening in Proton’s market share. Although previous literatures have established the importance of quality towards business profitability, this study has further explored another aspect of quality which is the role of relationship as an important ingredient to strengthen the long term bonding between customer and firms. This study examines relationship quality (RQ) and proposed a conceptual model linking quality performance dimension, customer value especially the price as mediating variable between product quality dimension and RQ. The model was developed based on observed practical gap, industry reports and review of empirical literatures on RQ in multi-dimensional disciplines using RELQUAL measurement technique. Findings from this research revealed a significant relationship between quality performance measurements, customer value and RQ. It finally recommends that in order to increase level of customer retention and business profitability, firms specifically automotive industry should strengthen their customer relationship, quality performance and simultaneously increase customer value to remain competitive in the industry.

**Keywords:** Relationship Quality, Quality Performance, RELQUAL, Automotive Industry, GLC.

**1.0 Introduction**

The significant growth in performance of GLCs has been noticed in the last few years where they contribute 36% of Bursa Malaysia total market capitalization (Mokhtar, 2005). GLC, specifically in automotive market in Malaysia is dominated by two companies which are also national car maker namely Proton Holdings Berhad and Perodua and both controlled 31% and 28% market share respectively. Public perception on GLCs in Malaysia has been contaminated by the deprived performance of the first national carmaker namely Proton Holdings Berhad. In 2006 when Volkswagen released ideas to participate in the company, Proton’s share price fell sharply and in the third quarter of the same year they also recorded a pre-tax loss of RM240.5 million. Another loss of RM51.535 million recorded in the third quarter ended Dec 31, 2010 and the trend widened to RM84.054 million in 2011. In the early establishment of Proton in 1980’s, they controlled almost 50% of automotive market share and the share shrunken to 28% as of September 2013. In an announcement, the company said the slower performance was due to deterioration in sales and consequently impact revenue performance. This alarming weak performance and declining market share has brought a very bad insight into GLCs survival and contribution to economy. In a statement related to Proton’s declining market share, Chief Executive Officer of Proton Edar Sdn. Bhd.,
Proton’s subsidiary in charge of sales, Hisham Othman said that product quality and customer service are the means to capture the further weakening in Proton’s market share. He added that Proton Holdings will concentrate on assurance of product quality, value for money and customer service (Bernama, 15 July 2013).

2.0 Literature Review

2.1 The Importance of Quality, Relationship Quality and The gaps

From academic perspective on quality performance, Giffi, Rith and Seal (1990) suggest that superior quality not only differentiate from competitors but it also authenticate a company’s worthiness to compete. Another literature supporting the importance of quality found from Hanfield and Ghosh (1994) who recognize order-winner of high product quality as order-qualifier. Despite the significant importance of quality in the era of globalization (Lawrence, 1980; Schonberger, 1982: cited in Curkovic, Vickery & Droge, 2000), there is no consensus in the dimension of quality performance and it is more research context. Results of prior studies suggest that quality is multi-dimensional in nature and but there are very limited empirical evidence supporting this claim (Curkovic et al., 2000) specifically in automotive industry. In addition to that literature, results of prior researches examining the firm performance have proven that relationship is one of the major contributors to business success. It is believed that relationship is able to make up for gaps in performance of product or service; unfortunately the prominence of consumer-firm affiliation has been ignored in the literature (Priluck, R., 2003) specifically in automotive industry. To ensure long-term profit increase, companies should heavily focus on customer value and management of customer relationship/retention (Trasorras, Weinstein and Abratt, 2009). An absolute indispensable condition of high relationship quality is achieved when a product or service meets the customer’s needs (Henning-Turau & Klee, 1997).

Due to the multifaceted nature of business performance and the absence of simple indicator as measurement, customer satisfaction and trust which is associated to marketing performance is considered to measure organization’s performance (Sin, Tze and Yim, 2005). Other than those two factors, the result of a study by Moliner, Tena and Garcia (2013) has shown a positive impact amongst the measurements of relationship quality that is trust, satisfaction, and commitment. According to Athanasopoulou (2009), these measurements are also supported by the extensive literature on relationship marketing. Aurier and N’Goala (2010) suggest that in maintaining and developing the relationship, these three dimensions have their own different roles; it needs earlier development of trust followed by commitment for relationship maintenance and both trust and commitment are nurtured by universal satisfaction. From the aforementioned practical issues and theoretical gaps, the purpose of this study is to investigate the relationships between quality performance dimensions and its consequences on customer perceived value and relationship quality and equally scrutinize the mediating impact of customer perceived value on relationship quality in GLC specifically automotive industry in Malaysia.

“Satisfaction . . . is thought to be an immediate antecedent to quality judgments and then to loyalty” (Oliva et al., 1992: cited in Henning-Turau & Klee, 1997). Other than satisfaction and quality of product and service determines the loyalty and customer retention, customer’s evaluation on the quality of the relationship will impact customer loyalty (Henning-Turau & Klee, 1997). The relationship between product and/or service quality and RQ is explained by Henning-Turau et al., (1997) who suggests that a product or service that meets the customer’s needs can be regarded as an absolute indispensable condition of high RQ. The useful of relationship between customer and firm is described by Schneider and Bowen (1999) as a phenomenon stronger than satisfaction that may keep
the customer from defect and it leads to customer delights. Another literature on the importance of relationship is brought by Bove and Johnson (2001) who proposed that relationship building efforts will lead to strong internal relationships and supported by Mohr and Nevin (1990) who viewed RQ as a critical factor for business operation, performance and survival. Another literature found by Keaveney (1995) who claimed that service failure, service encounter failures and bad employee response to service failures are the reasons for customers switch to competitor. In this situation, Schneider and Bowen (1999) suggest that the existence of customer-firm relationship will act as a make up for the defect and with relationship customers might overlook and ignore the instances of poor product performance. Consequently, the relationship will benefit seller in terms of customer retention rate and service recovery opportunities.

2.2 Non-consensus on Definition and Dimension of RQ

Relationship quality (RQ) is one of the concepts applied in relationship marketing to indicate the depth or magnitude of a relationship (Shemwell and Cronin, 1995) and also its capability to endure (Barnes and Howlett, 1998; Paulin et al. 2000: as cited in Dant, Weaven and Baker, 2013). In this study, quality is observed in the context of interaction and relationship between buyer and seller. Levitt refer RQ as a package of intangible value that enhances products or services and lead to an anticipated exchange between buyer and seller. (Levitt, 1983: as cited in Moliner et al., 2013). Another definition is given by Ismail (2009) who observed RQ as a meta-construct consist of several key components, and reflecting the relationship as a whole. Gummesson (1987) interprets quality of interaction between a firm and its customers in terms of accumulated value. Gro’noos (2000) defined RQ from customer’s point of view as a dynamics and consistent long-term quality formation whereas Henning-Thurau and Klee (1997) suggest RQ as “the degree of appropriateness of the relationship to fulfill the needs of the customer associated with the relationship”.

Despite the observed evidence on the important role of relationship on business profitability (Henning-Turau & Klee, 1997; Schneider and Bowen, 1999; Palmatier, Dant, Grewal and Evans, 2006; Wong, Hung and Chow, 2007; Rauyruen and Miller, 2007; Athanasopoulou, Kalogерopoulo and Douvis, 2013), there is still no agreement among researchers on the established and formal definition of relationship quality (Henning-Thurau, 2000; Henning-Thurau et al., 2001; Walter et al., 2003; Woo and Ennew, 2004; Huntley, 2006; Holmlund, 2008: cited in Athanasopoulou et al., 2013). RQ has been studied across various contexts covering service firms and retail customers (Crosby et al., 1990; Wray et al., 1994; Bejou et al., 1996; Gwinner et al., 1998; Bowen and Shoemaker, 1998;Woo and Cha, 2002; Lang and Colgate, 2003: cited in Athanasopoulou et al., 2013), corporate customers (Lagace et al., 1991; Boles et al., 2000;Woo and Ennew, 2004; Venetis and Ghauri, 2004; Athanasopoulou, 2006; Vieira, 2009: cited in Athanasopoulou et al., 2013) also buyer – supplier relationship in B2B ( Song, Su, Liu and Wang, 2012; Moliner et al., 2013), it is still observed that there is no agreed model for the study and the results are highly context specific. In addition to that, only a few studies address both sides of the relationship dyad (Athanasopoulou, 2009). Until recently, Athanasopoulou et al. (2013) observed that RQ is still underexplored, no agreement on the quality dimensions and features influence it and therefore it requires more authentications prior to quantitative testing.

As a result of the non-consensuses, these researchers such as Crosby, Evans & Cowles (1990); Roberts, Varki & Brodie (2003) and Huntley (2006) have continually tried to determine the dimensions of RQ as well as its antecedents and consequences in various contexts. To support this argument, Hausman (2001) suggest that it is essential to understand the factors influence the relationships because of its importance to business success. Another dimension for RQ found in a study of RQ between franchisee-franchisor contexts. Dant et al., (2013) have examined the
personality impact on the RQ perceptions of franchisee-franchisor relationship by using Big Five personality dimensions. From relationship marketing perspective, Palmatier et al. (2006) wrote that RQ has constantly been hypothesized as a multi-faceted, as second order concept comprising of trust and at least another one different interactive construct for example Crosby et al. (1990) taken both trust and satisfaction as the primary indicator of RQ together whereas De Wulf, Odekerken-Schroder, and Iacobucci (2001) adding commitment as a suitable third surface of RQ. From various dimensions of RQ found in the studies of past researchers in different context of study; combination of trust, customer satisfaction and commitment are the most popular constructs as measurement of RQ. This is consistent with marketing relationship research stream where the combination of the three dimensions appeared to be the most regularly studied as consensual relational intermediaries (Palmatier et al. 2006). The recent study by Athanasopoulou et al. (2013) also suggest that majority of the researchers also identified the three dimensions as RQ measurement in their related studies.

Since majority of researchers have identified the combination of trust, commitment and customer satisfaction as dimension across various studies, the definition of the three dimensions will be defined accordingly. From the literature, trust is defined by Morgan and Hunt as “confidence in an exchange partner’s reliability and integrity” and serves as principal basis of cooperation. (Morgan and Hunt, 1994: as cited in Dant et al., 2013). Moorman et al. described commitment as “an enduring desire to maintain a valued relationship”. (Moorman et al., 1992: as cited in Dant et al., 2013). Anderson and Weitz further described commitment as a dynamic component for cooperation and relationship endurance. (Anderson and Weitz, 1992: as cited in Dant et al., 2013). Whereas for satisfaction, Davies; Grace and Weaven refer to situation when an individual respond positively to cumulative valuations of previous interaction experiences with their partner; and it is important to preserve the relationship. (Davies et al. 2009; Grace and Weaven, 2011: as cited in Dant et al., 2013). Hence, customer satisfaction acts as principle driver by combining the elements of relationship quality, commitment and trust.

3.0 Research Framework

Based on the well-accepted three-dimensional of RQ namely trust, commitment and satisfaction; we develop a conceptual framework and come up with the hypothesis to investigate the extent to which the quality performance variables positively affects RQ and also to examine the impact of customer value as mediating variable (MV) in the relationship among product quality performance and RQ in automotive industry. The research model is visualized in Figure 1.
The quality performance dimension consists of seven competitive quality items proposed in this study is adopted from a study in automotive supply industry by Curkovic, Vickery & Droge (2000). There are two aims to justify the selection of these variables in the framework of this study:

1. **The group of variables known as quality performance dimension selected by Curkovic, Vickery & Droge (2000) used in this study is established in prior research (Garvin, 1987 and Forker et al., 1996: cited in Curkovic, Vickery & Droge, 2000). It considers discussion with executives as panel of experts in automotive industry from the Automotive Industry Action Group (AIAG) in Southfield, Michigan. The input from these panel experts is believed will contribute to a comprehensive and meaningful set of quality dimension in auto industry (Curkovic, Vickery & Droge, 2000). The dimension of quality items selected for this study is shown and properly described in Table 1.**

2. **According to Curkovic, Vickery & Droge (2000), the core dimension of quality consist of two perspectives. Product quality concern on physical manufactured product whereas service quality contains of both pre-sale and post-sale service. The author stress that both product and service quality will contribute to firm’s performance in total. This is supported by Henkoff (1994), who stress that every company is building better quality products, but the only thing to differentiate them from competitors is service. Therefore, Parasuraman, Zeithaml & Berry (1991) has developed a scale or tool known as SERVQUAL to measure service quality by final customers. SERVQUAL evaluates service quality based on five dimensions which are reliability, assurance, tangibility, empathy and responsiveness. By comparing the items in the table of quality performance and SERVQUAL dimension, there are similarities on the dimension and it is detail out in Table 1.**
3.2 Quality Performance, Customer Value and Relationship Quality

Product quality is often considered as a contributor to competitive advantage development; hence to improve quality performance, products must be designed and manufactured based on customer requirements (Benson et al., 1991; Flynn et al., 1994; as cited in Dunk, 2002). According to Dunk (2002) despite contribute to competitive advantage; product quality is also an essential prerequisite for competitiveness. Quality serves as a basis for strategic advantage, so any product quality developments must contribute to quality performance enhancement (Daniel and Reitsperger, 1991; Belohlav, 1993; Terziovski et al., 1999; as cited in Dunk, 2002). Nowadays, product quality is interpreted through both product design as well as extra concern on customer needs and requirement (Flynn et al., 1994; Reeves and Bednar, 1994; Lynch, 1999; as cited in Dunk, 2002).

According to Zineldin (1999), the concept of quality will involve substantial focus on enhancing customer value and that force organizations to take a much more proactive stance towards their customers. Customers regularly evaluate a company’s offer against competitors’ and it is assumed that the firm’s success is achieved once the firms offer “extra” value to customer compared to competitors (Walter et al., 2001). Some scholars refer value to quality or price of product/service as perceived by consumers. In consequence to this, Zeithaml (1988) describes perceived value as “. . . the consumer’s overall assessment of the utility of a product based on perceptions of what is received and what is given”. While Anderson and Narus (1999) identify value as “. . . the worth in monetary term of the economic, technical, service and social benefits a buyer receives in exchange for the price it pays for a product offering”. Bolton and Lemon (1999) relates customer value in terms of equity concepts which refers to customer’s comparison between perceived cost of the offering versus fairness, right, or deserved. The competitive price and the importance of value is described by Zineldin (1999) who wrote that many companies are doing their very best to offer the best quality product and service at the lowest cost but competitors are following to compete. The most important component in our framework is relationship quality (RQ) which has been chosen as dependent variable in this study. RQ has been discussed in detail in the earlier part of this study.

The preceding review from literature on quality dimension, customer value and RQ has leads us to posit the research hypotheses in the next table:

<table>
<thead>
<tr>
<th>H1a</th>
<th>Product reliability has significant influence on customer value in automotive industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1b</td>
<td>Product reliability has significant influence on RQ in automotive industry</td>
</tr>
<tr>
<td>H2a</td>
<td>Product durability positively influence customer value in automotive industry</td>
</tr>
<tr>
<td>H2b</td>
<td>Product durability positively influence RQ in automotive industry</td>
</tr>
<tr>
<td>H3a</td>
<td>Conformance to specification positively influence customer value in automotive industry</td>
</tr>
<tr>
<td>H3b</td>
<td>Conformance to specification positively influence RQ in automotive industry</td>
</tr>
<tr>
<td>H4a</td>
<td>Design quality has strong positive influence on customer value in automotive industry</td>
</tr>
<tr>
<td>H4b</td>
<td>Design quality has strong positive influence on RQ in automotive industry</td>
</tr>
<tr>
<td>H5a</td>
<td>Pre-sale customer service positively influence customer value in automotive industry</td>
</tr>
<tr>
<td>------</td>
<td>-----------------------------------------------------------------------------</td>
</tr>
<tr>
<td>H5b</td>
<td>Pre-sale customer service positively influence RQ in automotive industry</td>
</tr>
<tr>
<td>H6a</td>
<td>Product support has significant influence on customer value in automotive industry</td>
</tr>
<tr>
<td>H6b</td>
<td>Product support has significant influence on RQ in automotive industry</td>
</tr>
<tr>
<td>H7a</td>
<td>Responsiveness to customers positively influence customer value in automotive industry</td>
</tr>
<tr>
<td>H7b</td>
<td>Responsiveness to customers positively influence RQ in automotive industry</td>
</tr>
<tr>
<td>H8a</td>
<td>Customer value has strong positive influence on RQ in automotive industry</td>
</tr>
<tr>
<td>H8b</td>
<td>Customer value positively mediates the relationship between product reliability and relationship quality in automotive industry</td>
</tr>
<tr>
<td>H8c</td>
<td>Customer value positively mediates the relationship between product durability and relationship quality in automotive industry</td>
</tr>
<tr>
<td>H8d</td>
<td>Customer value positively mediates the relationship between conformance to specification and relationship quality in automotive industry</td>
</tr>
<tr>
<td>H8e</td>
<td>Customer value positively mediates the relationship between design quality and relationship quality in automotive industry</td>
</tr>
<tr>
<td>H8f</td>
<td>Customer value positively mediates the relationship between pre-sale customer service and relationship quality in automotive industry</td>
</tr>
<tr>
<td>H8g</td>
<td>Customer value positively mediates the relationship between product support and relationship quality in automotive industry</td>
</tr>
<tr>
<td>H8h</td>
<td>Customer value positively mediates the relationship between responsiveness to customers and relationship quality in automotive industry</td>
</tr>
</tbody>
</table>

### 4.0 Conclusion

Even though there is no consensus among scholars on the definition and dimension of RQ; and the available definition is slightly differ according to background of study, RQ is normally measured using the combination of commitment, trust and satisfaction (Ulaga & Eggert, 2006). In constructing RQ, the three dimensions are interrelated rather than independent (Ismail, 2009). Based on this study, the competitive quality dimension is positively influence the degree of RQ. Strong relationship determines high level of RQ between customer and firm and contributes to customer delights and consequently will result in high customer retention. High degree of RQ will make up the possible defect, opens for service recovery, contribute to long-term relationship and subsequently improves business performance. On another note, this study is conducted purely based on literature review and it lacks of empirical test on the hypotheses. Therefore, for future research, we recommend an empirical test for validation.
REFERENCE


Products quality, customer service keys to arrest fall in Proton’s market share. (2013). Retrieved on


The Consequences of Qualitative Overstretch on Employee Intention to Quit in Malaysia Call Center Industry: An Implication of Customer Relationship Management

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Abstract

The purpose of this study is to determine the consequences of customer relationship management (CRM) application on qualitative overstretch and intention to quit in Malaysia call center industry. A conceptual model was developed to explain the hypothesis direction and the evidence from ample of literatures suggested that comprehensive applications of CRM strategy should be adopted and integrated into organizations’ operations in order to achieve organizational performance and resolve the issue of employee turnover. More so, appropriate training program that can reduce qualitative overstretch and eradicate stress should be provided for the employees of call centers.

Keywords: Customer relationship management (CRM), Qualitative overstretch, Call centers, Intention to quit

1. Introduction

The application of customer relationship management (CRM) as a practice in every business enterprise to enhance organizational performance and productivity has grown rapidly in recent time (Foss et al., 2008; Langerak & Verhoef, 2003, Raman et al., 2006). Since it development from relationship marketing (Hung et al., 2010; Wu & Wu, 2005) and becoming popular in the 1990’s, customer relationship management had remained the highest priority of many firms (Becker et al., 2009; Croteau & Li, 2003) as well as an obvious marketing tool for the firms, indicating how to better serve customers and proffer means of business operation that is more efficient and effective.

However, despite the adoption of CRM by many organizations and its capability to facilitate the achievement of higher profitability and competitive advantage, existing literatures have reported enormous failure recorded in the implementation to about 70% to 90% rates (Finnegan & Currie 2010; Finnegan & Willcocks, 2007; Mendoza et al., 2007; Richards and Jones, 2008) with an estimated 70% of CRM projects bringing no profits and no relevant positive influence on firms performance (Zhang, 2006; Gartner Group, 2003). While this has shown the extent to which CRM implementations is not successful in many organizations, ample of researchers have associated the problem to the lack of understanding of CRM processes by these firms (Rababah, 2011), other researchers linked the failure to technological misfit (Finnegan & Willcocks, 2007), ignoring the CRM broader dimensions by firms (Pan & Lee, 2003), and the narrow consideration of CRM as marketing initiative (Kalakota & Robinson, 2001).
CRM is regarded as a major means to efficiently and effectively develop innovative capabilities and accomplish solid competitive advantage in many organizations (Ramani & Kumar, 2008; Sahay & Ranjan, 2008), it has also been credited with the ability to enhance firms’ operational efficiency via the application of organizational structure and culture (Sin et al., 2005). The definition of CRM has created diverse opinion in the face of being universally accepted as a strategic approach to businesses that can improve organizations performance from the perspective of customers-companies relationships (Sin et al., 2005; Zablah et al., 2004; Yim et al., 2004; Rigby et al., 2002, 2004), but still prominent is the deliberations on what CRM is all about. Sin et al (2005), in his argument explicat that there is dearth of a theoretical unifying framework in CRM literatures which signified specifically how the CRM concept could be suitably translated into a more complete set of concrete organizational activities to achieve success. Most of the CRM definitions have been an addition to the earlier ones and explaining in-depth its concept, fundamental principles and dimensions. Many of the initial definitions of CRM was basically channeled towards information technology and the acquisition and assessment of information concerning the identification of customers needs (Zikmund et al., 2003; Krauss, 2002), but Payne and Frow (2005) disparage that their approach was narrow and tactically lackluster, therefore cannot produce outcomes that could guarantee high rates of customer retention (Thomas et al, 2004). Blattberg and Deighton (1991) described CRM as the term relating to electronic marketing, whereas it was considered to be database marketing by Peppers and Rogers (1995). Other narrowly based CRM definitions are focused on marketing ideas, for example web sites and personalized e-mail, call centers, and loyalty programs (Yim et al., 2004).

From a broader point of view, CRM was claimed to entails an entire marketing strategy mix, technology, and organizational structure and activities that are focused around customer data that assists in better managements of firms (Hair, Bush and Ortinau, 2003). It was also seen as all inclusive process of developing and maintaining positive relationship with customers by delivering superior customer value and satisfaction (Kotler & Armstrong, 2004). These wider perspective couple with the conceptualization and understanding of CRM concept in line with customer centric perspective was well supported by many authors (Payne and Frow, 2005; Boulding et al., 2005; Parvatiyar & Sheth, 2001; Swift, 2001).

However, based on the above analysis, this research shall adapt the definition of CRM based on the four key areas: strategy; people; technology; and processes (Crosby & Johnson, 2001; Fox and Stead, 2001; Ryals & Knox, 2001). Thus, CRM is the organizations’ capability to strategically and proficiently integrate client’s factors, people, process and technology in maintaining and sustaining positive relationships with both existing and prospective customers (Abdullateef, 2011).

The extant literature and industry reports had established the relevance of customer relationship management in marketing activities, highlighting the significant achievement in digitalizing necessary information about customers by the customer contact centers for the awareness of their employees through various advance information technology (Abdullateef et al., 2011; Dean, 2009; 2007; Sin et al., 2005; Yim et al., 2005; Kantsperger and Kunz, 2005). Though this study subscribed to the prevailing arguments in favor of CRM applications as having positive impact on employee job satisfaction and performance, existing evidence reveals that there are major problems that is critically affecting call centers in Malaysia, such as employee job dissatisfaction, high attrition rate, shortage of skilled employees, high average speed of answer, high abandonment rate, high cost of operations, and customer dissatisfaction (Abdullateef et al., 2011; Callcentre.net, 2008; 2003; Kellyservices.com, 2006). Therefore, this study will examine the impact of CRM applications on qualitative overstretch and intention to quit in call center industry, particularly in Malaysia and conceptualize the relationships between these variables.

2. Literature Review

2.1 CRM Call Center Industry in Malaysia
Call center has been described as the physical environment that is committed to servicing and interacting with existing and prospective customers of an organization with the use of advance telecommunication and information technology (Callentres.net, 2003). According to So (2007), call center is a strategic customer marketing center that proffer resolutions to customer needs and problems concerning products and services, or customer communication center that operate, practice and execute CRM strategy. However, the development of sophisticated information and communication technology has led to the transformation of call center to contact center with the utilization of multiple communication channels such as internet, fax and mail (Malhotra & Mukherjee, 2003; Bain et al., 2002).

The Malaysia call center industry has made remarkable growth over the years with patronage from highly reputable organizations such as BMW, Standard Chartered Bank, HSBC and DHL that invested heavily in the industry, notwithstanding the competition faced from countries like Indonesia, Thailand, Singapore, India and Philippines (APRG, 2010). In support of the argument is the industry reports figure of more than 600 call centers employing over 25,000 people of the country (APRG, 2010; Kellyservices.com.my, 2010; CCAM, 2007; Callcentre.net, 2003). Research has revealed that the Malaysia call center industry is yet to develop to the peak, the developmental process is expected to follow an estimated growth rate of 16% per annum for the next four years (APRG, 2010; Kellyservices.com.my, 2010). According to Shivanu Shukla (2009), associate director at Frost & Sullivan’s ICT Practice, the growth experienced by the industry so far was driven by internal market development and the foreign direct investment opportunities that abound the business process outsourcing (BPO) market in Malaysia (Frost & Sullivan, 2009).

Due to the afore mentioned, call centers investments on technology is changing to a more sophisticated applications such as quality monitoring, workforce management, analytics and voice portals; from mere routing solutions (APRG, 2010). Hence, Malaysia contact center is the third in Asian Pacific Region for outsourcing and is expected to worth more than US$15.5 million between 2010 and 2014, and her diverse multilingual workforce with an average of 85% employees’ with commonly spoken languages such as Mandarin, Hindi, English and Cantonese have greatly assisted to occupied this relevant position in the call center industry (APRG, 2010; Kellyservices.com.my, 2010).

More so, industry reports attributed further contributions to Malaysia call center industry growth to the collaborative efforts of customer relationship and contact center association of Malaysia (CCAM) with the Malaysian Government (CRM Management Editor, 2010; CCAM, 2007), the development of telecommunication network infrastructures to the world standard with latest technologies such as, digitalization, wireless transmission, fiber optics and satellite services (Callcentre.net, 2008; 2003), and the establishment of multimedia super corridor (MSC) project to control the activities of business process outsourcing (BPO) and share services (CCAM, 2007; Callcentre.net, 2003).

However, despite tremendous efforts and successes attained in taken Malaysia call center industry to the fore front in the Asian pacific region, salient issues are still affecting the industry such as employee job dissatisfaction, high attrition rate, shortage of skilled employees, high average speed of answer, high abandonment rate, high cost of operations, and customer dissatisfaction (Abdullateef et al., 2011; Callcentre.net, 2008; 2003; Kellyservices.com, 2006).

### 2.2 Intention to Quit

Many authors have written about the issue of turnover of employees in the organization with particular emphasis on call center industry citing various antecedents and employing intention to quit as a perfect means to measure its extent within a firm (Ahmad et al., 2010; Brigham et al., 2007; Sawyerr et al., 2009). Existing literature have established its strong negative effects on organizational performance (Abdullateef, Muktar, Yussof, & Ahmad, 2012; Walsh, 2010; Sawyerr et al., 2009), and high cost imposed on organizations (Tia-Foreman, 2009; Maertz et al., 2007), for example, 17% of pre-tax annual income of organizations (Yang et al., 2011), and $5 trillion annually was estimated as the cost of employees turnover by American firms (Frank et al., 2004). These costs was associated to recruitment and selection of new staff, overtime payments to alleviate shortages and the replacement of experienced employees with inexperienced ones as well as the cost of training and development (Alexandrov et al., 2007).
Turnover has been described in most marketing and management literatures using intention to quit (Siong et al., 2006). Turnover has to do with the outright movement of employee from the current job to seek for an alternative one in another organization (Price, 1977). Igbaria and Greenhaus (1992) argued that both terms are not the same, but intention to quit was adopted based on the fact that actual turnover are most significantly influenced by the intentions (Armitage & Connor, 2001). Authors that have used intention to quit as a measure of turnover includes, Alexander et al. (1998), Griffeth (1995) and Sager (1991).

Malaysia’s call center has been observed to be protracted in the problem of employee turnover over the years (Abdullateef et al., 2012, Callcentre.net, 2003). Industry reports has identified the major causes of the phenomenon to high rates of resources utilization towards cost efficiency (Alava, 2006; Callcentre.net, 2003), with strong evidence that employee overstretch as a probable outcome of high utilization contributed immensely to turnover of employees in the Malaysia’s call center (Callcentre.net, 2003). Thus, the argument by some practitioners that persistent agent turnover would be detrimental to outsourcing of call centers to Malaysia (CCAM, 2009; Callcentre.net, 2003).

2.3 Qualitative Overstretch

Qualitative overstretch can be described as situation where employees perceived their job to be highly demanding (Katsperger & Kunz, 2005). It is characterized by high workload which could result to stress, burnout and emotional exhaust as well as other stress relation outcomes that could lead to lack of interest on the part of employees to continue with their present work (Calisir et al., 2011; Isic et al., 1999). More so, qualitative overstretch can reduce employee’s perceived self-efficacy and cause feeling of learned helplessness which will evidently affect customer satisfaction negatively (Bandura, 1997; Martinko & Gardner, 1982).

In a related development, the stress or pressure receives from individual work would definitely lead to the quitting of the job, especially when the employees are emotionally disturbed (Behrman and Perreault, 1984; Gaines and Jermier, 1983; Goolsby, 1992; Olukemi et al., 2009). Moreover, Maslach and Jackson (1981) added that qualitative overstretch which one experienced in the place of work could come from being emotional exhaust, demoralization and accomplishment apathy which is common at densely and stressful organization like call centers (Russell et al., 2003).

Indeed, the stressful nature of work at call centers shows that it would be easier for their employees to call it quit with their job. Bain and Taylor (1999) identify that the practice of usage of scripts in call center together with routine nature of work would definitely lead to the conclusion of leaving the job. Many call centers are found of repetitive work and partly reduced the autonomy of the employees push themselves to loosing of their workers (Lanshear et al., 2001; Deery et al., 2002; Belt, 2002). Consequently, it has shown that difficulty that employees receive in their organization like call centers would fast-track the resignation from work.

Many studies have found that the components of qualitative overstretch such as emotional exhaust, stress, and job burnout are strong antecedents to intention to quit, for example Babakus ans Yavas (2012), Brough et al., (2008), Lee and Ashforth (1996), Karatepe, (2010, 2011), Slatten et al., (2011), Kantsperger and Kunz, (2005), Wright and Hobfoll (2004), Deery et al. (2002), and Wright and Cropanzano (1998).

3. Theoretical Background and Framework

Call centers has reportedly been faced with great challenges in the recruitment and retaining of employees even as it’s grow consistently in the number globally (Sawyerr et al., 2009). In support of the evidence is the 35 and 50 percent of employee turnover is experienced annually by the call centers, attributing these rates to non-competitive compensation, high workload and high levels of stress, unpleasant physical or interpersonal working condition, monotony and poor direct supervision including several cases of lack of employee training .

However, following the arguments from extant literatures that established the call center as a vital business strategy towards achieving successful implementation of customer relationship
management and its’ pivoting role in the accomplishment of organizational performance and competitive advantage (Kode et al., 2001). And employees vital role in organization’s accomplishment of business objectives and performance, particularly in the successful implementation of CRM to attain and sustain firm’s competitive advantage in the context of call centers (Abdulateef et al., 2013; Akroush et al., 2011; Dean, 2007). This study conceptualizes the framework to establish the relationships between the dimensions of CRM, qualitative overstretch and intention to quit in the Malaysia call center industry.

**Conceptual Model and Hypothesis Direction**

<table>
<thead>
<tr>
<th>Independent Variable</th>
<th>Dependent Variable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Orientation</td>
<td>Qualitative Overstretch</td>
</tr>
<tr>
<td>CRM Organization</td>
<td>Intention to Quit</td>
</tr>
<tr>
<td>Knowledge Management</td>
<td></td>
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<tr>
<td>Technology Based CRM</td>
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</tbody>
</table>

3.1 Correlations between CRM Dimensions, Qualitative Overstretch and Intention to Quit.

Customer orientation is the dimension of CRM that organizations have confirmed to be highly instrumental to the achievement of solid relationship with customers as it imbibe the customer oriented behavior and culture into the firm’s employees, thus higher performance (Yılmaz et al., 2005; Kim, 2008). This is evidence in its immense contribution to the successful implementation of CRM (Stephen & Thomas, 2008). CRM is regarded as an “enterprise method of understanding and influencing customer behavior through meaningful communications in order to improve customer loyalty, customer retention, customer acquisition, and customer profitability” (Swift, 2001). Going by the above mentioned, the management of call centre firms needs to engage in the creation of customer oriented culture and endeavor to imbibe it into its employees for the successful implementation of CRM (Francis, 2004).

The earlier research of Fountain (2001) emphasized that the customer orientation does not have effect on the situation that employees are passing through within their organization, but increases employees’ sovereignty and encourage them to improve service delivery, especially in the competitive market place. Meanwhile, researchers have stressed that customer orientation influences outcome
derived from the business activities as a result of employee’s satisfaction from their work and the organizational commitment (Cross et al., 2007; Zhu and Nakata, 2007; Donavan et al., 2004).

Babakus and Yavas (2012) established in their investigation of the buffering role of customer orientation on job burnout that, customer orientation act as a protector to the adverse impacts of burnout on employees job performance and intention to quit. They further concluded that high level customer oriented frontline employees would be positive about future job environment thus making them to suppress burnout as well as having lower perception of intention to quit, while on the other side, the effect of burnout on employees tend to be aggravated and the tendency to quit is increased. Donavan et al. (2004) also reported that employees with strong customer orientation are generally likely to be committed and satisfied to a greater extent such that they never thought of intending to quit their job and their performance with resolving customers’ issues are better than low customer orientation employees.

Hence, an encouragement toward employees attaining satisfaction in making customer happy is embedded in customer orientation (Harris et al., 2005) and high customer orientation of employees produced greater amount of commitments to the firm (Meyer, Stanley, Herscovitch, & Topolnytsky, 2002).

Successful implementation of CRM in an organization transcend being customer oriented only (Ata & Toker, 2012). The way the organization’s structure, operations and processes are organized determines to a greater extent the level of its CRM success (Abdulateef et al., 2010). CRM Organization is a component of CRM which many researchers have argued to enhance employee job satisfaction and organizational performance (Yueh et al., 2010), this is because necessary organizational infrastructure and managerial supports which are the basic requirements are provided at this level. Organizational structure, extensive resources commitment and effective management of human resources are vital components of the CRM organization which must be positively integrated to facilitate the accomplishment of organizational goal of competitive advantage (Akrouch et al., 2011; Jayachandran et al., 2005; Sin et al., 2005). Hence, a robust inter-functional harmonization of these structural elements across every departments of the firm will ensure positive relationship between CRM organization, employee job satisfaction and negatively related to intention to quit (McNally, 2007).

Yueh et al. (2010) and Sin et al. (2005) emphasized that company’s internal marketing processes, such as standard reward systems, effective internal communications, employee empowerment, and employee involvement as the convenient ways of realizing CRM organizations on employee performance and job satisfaction.

The building of solid relationships with customers, and improving customers’ satisfaction and performance is embedded in knowledge management (Pathirage et al., 2007). Meanwhile high levels of customers satisfaction can only be achieved by an organization when their employees are satisfied (Snipes et al., 2005). Therefore, employee’s ability in term of knowledge and skills are paramount to creation of value and vital in strengthening relationships (Namasivayam, 2005). To this effect, researchers have confirmed that organizations can secure a long lasting relationship when their employees exhibit an in-depth knowledge of customer’s preferences (Guchait, Namasivayam & Lei, 2011).

However, with the description of knowledge management as the term that promotes an integrated approach to the development, collection, storage, organization, dissemination and application of all organization’s information and intellectual assets to optimize performance and reduce cost (Maier & Mosley, 2003). Claver-Cortes et al. (2007) established that, when firms implement a flexible management style and strengthened communication and teamwork among employees which enhance better interaction, an environment of knowledge that will improve their performance and satisfaction is created. In addition, Egan, Yang and Bartlett (2004) established the knowledge management has the tendency to improve employees’ job satisfaction and decrease intention to quit. They finally conclude that knowledge management is positively related to employees’ job satisfaction and also negatively related to intention to quit. To support this are studies from Eylon and Bamberger (2000), Fraser, Kick and Kim (2002), and Watkins and Marsick (2003).

CRM is a term in information industry which refers to methodologies, software and internet-based tools or equipment that help organization to maintain good customer relationship in order to stick with the existing customers and win more of customers into their organization (Yurong et al.,
2002). It is further stated that for a firm to excel more than its competitor, a technological-based seamless product approach should be adopted (Yurong et al., 2002).

Information technology has been a major tool which many organizations employ for the successful implementation of CRM particularly in the call center firms where the adoption of cutting edge technology is employed to enhance the effectiveness of their back and front offices processes in order to achieve and sustain competitive advantage (Batenburg & Versendaal, 2008). Scheper (2002) reported that the interaction between information technology and organizational aspects would enhance the achievement of superior performance.

It was acknowledged by researchers that organizational success are driven by the employees (Sabherwal et al., 2006; Devaraj & Kholi, 2003), but should the adoption of new technology which could improve their performance is not highly supported (Jones et al., 2008; Simon & Usunier, 2007). Then, a situation where such technology is enforce on employees in an organization may result to qualitative overstretch and consequently lead to intention to quit. The use of technology to exert control and reduce employees’ autonomy (Noble, 1984) in the call centers thereby making tasks to become tayloristic can lead to stress and then absenteeism and turnover of employees. Houlihan (2001) concurred that the nature of work in the call center is characterized with intense technology usage to influence the rate and quantity of work and the fact that studies have revealed that technology can generally increase the complexity of jobs (Autor, Levy & Murnane, 2003; Spitz-Oener, 2006), then technological advancement deployment and the increasing usage of it to improve the effectiveness and efficiency of firm activities can lead to job stress among employees (Love & Irani, 2007) and then intention to quit.

3.2 Qualitative overstretch and Intention to Quit

Employee overstretch has been considered very vital for the performance and motivation of employees in an organization as this shows the extent to which the job is perceived to be demanding in relation to the skills and abilities required (Kantsperger & Kunz, 2005). Qualitative overstretch serve as a deterrents to employees good job outcome and better service delivery which may result to its negative correlation with customer satisfaction. To support the above statement are researchers which established that call center work could cause burnout, lower perceived self-efficacy and feelings of helplessness and finally impact negatively on customer satisfaction (Bandura, 1997; Deary et al., 2002; Martinko & Gergner, 1982).

However, qualitative overstretch as an equivalent of high job demand or workload in an organization will inflict stress, burnout and emotional exhaust on employees and these would lead to poor quality service, absenteeism, intention to quit and at the end turnover of workers (Deary et al., 2002, Kantsperger & Kunz, 2005; Schaufeli & Bakker, 2004; Wright & Hobfoll, 2004). Many other studies that support that workload contribute tremendously to employees’ intention to quit their works are; Babakus and Yavas (2012), Walsh (2010), Harris et al. (2009), Whysall et al. (2009), and Sawyerr et al. (2009).

In view of the literatures that have been reviewed, this study proposes the hypotheses as follows:

H1: Customer orientation of call center will negatively influence qualitative overstretch.

H2: Customer orientation of call center will negatively influence intention to quit.

H3: CRM organization of call center will negatively influence qualitative overstretch.

H4: CRM organization of call center will negatively influence Intention to Quit.

H5: Knowledge management of call center will negatively influence Qualitative Overstretch.

H6: Knowledge management of call center will negatively influence Intention to Quit.

H7: Technology Based CRM of call center will positively influence Qualitative Overstretch.

H8: Technology Based CRM of call center will positively influence Intention to Quit.

H9: Qualitative Overstretch of employees in call center will positively influence Intention to Quit.
4. Conclusion

Considering the evidence from the literatures that empirically established qualitative overstretch as a significant influence on employee’s intention to quit, inflicting heavy cost and negatively affecting the performance of organization. This study has come up with the resolute in CRM application as strategic means of combating the consequences of qualitative overstretch on employee intention to quit in the call center industry as well as providing an enabling environment that would prevent stress. It is relevant to conclude that the implementation of CRM can serve as managerial tools which if properly integrated has the capabilities of preventing qualitative overstretch of employees and thus reduce immensely their rate of turnover.

However, the management of the call centers can derive from this paper an insight into how qualitative overstretch can be minimized within the work environment so that best performance which would guarantee organization attainment of competitive advantage can be achieved from the employees. The lack of data to practically test for the authenticity of the proposed model which is needed for the investigation of hypothesized relationship is the inherent limitation of this study.

Reference


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The Intention To Use E-Money Transaction In Indonesia: Conceptual Framework

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ABSTRACT

The issue of behavioral intention to use electronic transaction is backed up with rapid change in all types of traditional transactions. Electronic money (e-money) exists as new technology for electronic transaction. However, it is still ineffective in Indonesia where majority of the consumer prefer to use manual transaction business in the Bank and using cash notes. This is a potential for crime when they bring a lot of money to the Bank and thus have impact the Indonesian economy. E-money is a stored value or prepaid products that had recorded the funds or value and it can be done in online and offline transaction. Behavioral intention is a process in any type of actual behavior with giving the expression in making decision to the adoption of behavioral intention. This study attempts to explain consumers’ intentions to participate in the e-money transaction through the model that integrates the TPB (Theory of Planned Behavior) and the TAM (Technology Acceptance Model). Five major variables or focus of the concept and practice of e-money transaction have been studied in this article. The conceptual framework of e-money transactions were reviewed to understand behavioral intention of consumers from perceived usefulness, perceived ease of use, perceived risks, security and encouraging a learning system transaction. The proposed framework and hypotheses were presented in this article. Quantitative method will be utilized as sources of data collection. A total of one thousand and five hundred respondents will be selected using purposive sampling method in Medan, Indonesia. Descriptive analysis and Multiple Regression analysis will be conducted to analyze the data. The article ended with suggestion for future studies.

Keywords: E-money Transaction, TPB, TAM, Behavioral Intention, Conceptual Paper

INTRODUCTION

The innovation in business transaction becomes new technology that strongly impacts on businesses activities (Stewart, 2013). In business transaction, it is important when it involve digital technology because its influence to the system in banking transaction (Fullenkamp and Nsouli, 2004). This becomes a revolution to facilitated electronic transaction as new types of instruments payments that the customers can use by getting the information and communication of the system (Papadopoulos, 2007). It can solve the issue that appear related to demand of money and be substituted for cash, checks, credit/debit cards as current payment media or on deposits and bonds as asset holdings, money supply, and on the practice of monetary policy (Hancock and Humphrey, 1998). Product and services approach by the Bank to use electronic transaction called electronic banking as their channel system and help consumers that previously have access limited to easier access (Basle Committee on Banking Supervision, 1998). However, Bank will have a problem if they still using electronic Banking and not adapting the latest innovation on the financial technology called electronic money (Solomon, 1999).

E-money can help retail payments because it makes the transaction easier and cheaper for consumers and its merchants, but it still in the stage of development that face some challenges (Bank for International Settelements, 1996). E-money or called access products is one of electronic communication that the consumers can use as payment tools. So, the instruction by consumers will transfer the funds (Al-Laham, Al-Tarawneh, and Abdallat, 2009). Bank for International Settlements (2001) explained the e-money products are stored value or prepaid products that had recorded of the
funds or value. It is available to the consumer on a device for any monetary transaction. As the result, e-money becomes electronic money that has monetary value to pay for anything. It is a prepaid instrument and will not involve any bank account in the transaction. Bank Indonesia (2013) had compared between e-money and credit/debit card which revealed that e-money have more advantages such as it is stored and recorded in card or instrument, owner authority and can be done in offline transaction while the credit/debit card has no recorded in card/instrument, fully controlled by Bank and only online transaction.

E-money in Indonesia supposed to be launched in 1999 but it delayed due to the economic crisis (Bank for International Settlements, 2000). In 2009, e-money was already licensed from Bank Indonesia based on Bank Indonesia Regulation No.11/12/PBI/2009 regarding electronic money and Bank Indonesia Circular Letter No.11/11/DASP. Bank for International Settlements (2004) reported security of electronic money that was launched in August 1996 is designed to protect risks by using a security code called PIN to reduce potential crime on account. This give advantages to the account holder because e-money transactions have access using a PIN or PASSWORD (Olalekan, 2011). In the case of e-money, the individuals’ intentions to use the Internet for on-line transactions should be considered because they will accept it as refers to perceived usefulness and perceived ease of use in the TAM (Technology Acceptance Model) constructs (Davis, 1989 as cited in Al-Gahtani, 2010). TAM was used widely to understand the behavioral intention in electronic transaction as part of electronic commerce (Tong, 2010). The perceived ease of use and perceived usefulness are the main factors to explore the attitude and behavioral intention of customers in the TAM theory (Alagoz, and Hekimoglu, 2012).

Venkatesh and Davis (2000) in Tero et.al (2004) investigated the model TAM 2 which was introduced as the second generation by the original TAM to explain how subjective norms and cognitive instrumental processes affect perceived usefulness and intentions. TAM 3 was an improved version of TAM 2 theory which incorporated the others factors such as gender and age factors (Stewart, 2013). However, the consumer’s behavioral intention becomes one of important factors that will be influence the role in consumer behavior (Khaled, 2013). Featherman and Pavlou (2003) in Martins, et al. (2013) explained that the perceived risk as one of the important thing to be consider when consumers use e-service. Lee (2009) found there are five of perceived risks when the customers perform the online Banking transactions. They have to accept uncertainty risks or called perceived risks such as security/privacy risk, financial risk, social risk, time/convenience risk, and performance loss that still need to investigate further when customers use the e-money transaction.

Based on that particular issue, further analysis should be incorporated in this study. First, is there would be a demand for e-money since online Banking in Indonesia still not being widely accepted by Indonesian consumer? Second, the most studies measure security and behavioral intention limited to the online Banking, specific measurement need to be develop in the e-money transaction. Third, most of the previous research only investigates perceived risks for the customer of online Banking; does the result appear to be the same as in e-money? Fourth, e-money is new in Indonesia, does the result in online banking and electronic commerce related to the TAM theory related to perceived usefulness and perceived ease of use will appear significantly the same as in e-money transaction. Therefore, this study aims to: (1) study the consumers’ behavioral intention to use e-money transaction (2) examine the relationship of perceived usefulness on e-money transaction, (3) examine the relationship of perceived ease of use on e-money transaction (4) examine the relationship of perceived risks on e-money transaction, and finally (5) investigate the moderating effect of security in e-money transaction.
THEORY AND HYPOTHESES DEVELOPMENT STUDY

Electronic Money (E-money)

The definitions of e-money mentioned that there is no physical cash involved with the third party (Kreltszheim, 1999). These are four main empirical studies focus primarily on system of e-money. One of the most important system given to the e-money is the concept of stored value or prepaid product (Geva and Kianieff, 2002; Allen and Overy, 2005). However, Kreltszheim (1999) emphasized that e-money or sometimes called “e-cash” doesn’t need the third party to be involved in the transaction because it can be done directly. Merlonghi (2010) also stated that e-money becomes new innovation as it changed the traditional financial transactions.

The definition of E-money is presented in the Table 2.1 below which explored from four empirical studies.

Table2.1

<table>
<thead>
<tr>
<th>Authors</th>
<th>Title</th>
<th>Type of source</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kreltszheim (1999)</td>
<td>Identifying the proceeds of electronic money fraud</td>
<td>Australian Business Law Review</td>
<td>E-cash (E-money) is not “cash’” in the same sense as physical cash, which can be transferred from hand-to-hand by a payer to a payee without the intermediation of a third party.</td>
</tr>
<tr>
<td>Allen and Overy, (2005)</td>
<td>Commission consults on revision of the European electronic money regime</td>
<td>Journal of Financial Regulation and Compliance</td>
<td>E-money products are stored value or prepaid products in which a record of the funds or value available to a consumer is stored on an electronic device.</td>
</tr>
<tr>
<td>Merlonghi (2010)</td>
<td>Fighting financial crime in the age of electronic money: opportunities and limitations</td>
<td>Journal of Money Laundering Control</td>
<td>The use of electronic money does not necessarily imply the systematic registration of information regarding the underlying transactions and the correspondent balances and electronic money can be spent also outside the traditional financial circuits and service infrastructures.</td>
</tr>
</tbody>
</table>

Concept of Perceived Risk and Security

Perceived risk describe as how the consumers accept some risks if they purchase some products that mainly pointed in two main points of uncertainty and consequences (Schiffman and Kanuk, 2010:201). Peng Lu, et al.(2005) explored that perceived risk indirectly has impacts on intention of consumers when they use an online application that is under security threats. Giovanis, et. al (2012)
founded the perceived usefulness partially had mediated the relationship between perceived ease of use and customers’ intentions as effect from the perceived security and privacy risk that had constructs partially to mediate the relationships between compatibility and customers’ behavioral intentions. Lee (2009) had investigated the intention of consumer to use the online banking is affected by perceived risk which is mainly affected by the security/privacy risk and financial risk, and it is positively affected by perceived benefit, attitude and perceived usefulness.

Timothy (1998) explored that it is important to manage the risks of e-money and the potential of money laundering found two variables that influence e-money transaction which are security and regulation. However, Michelle (2004) also found same variables which are regulation but limited on three perceived risks factors that are operational risk, compliance risks and reputational risk. Nobuhiko (2009) discussed electronic money and the law related to the future challenges that have to be focus on the security. Furthermore, these were to help the Government to avoid money laundering crime (Go, 2010). Michael and Paul (2010) improved it into regulatory approaches for e-money transaction to protect the customer’s funds by using the security and perceived risks (operational risk, compliance risk and reputational risk).

As a conclusion, the e-money system has no protection on card based e-money even by using PIN (Personal Identification Number) and it is important to apply the security system even the consumers have to accept some uncertainty risks (perceived risks) like the online Banking to attracted their customers to do safety transaction (Papadopoulos, 2007). This will protect the consumers from the big risk of e-criminals called as e-criminals’ intelligence hackers that have more connection and channel to log in to the consumer data (Al-hamami, Najadat, Wahhab, 2012).

Concept of Behavioral Intention on TPB and Perceived Usefulness and Perceived Ease of Use on TAM

The Theory Planned Behavioral (TPB) is one of grand model that has been widely used to study the customer intentions and their behavior (Al-Debei, 2013). Besides, Fishbein and Ajzen, (1975); Ajzen and Fishbein (1980) as cited in Hernandez, et. al (2008) mentioned that Theory of Acceptance Model (TAM) is adapted by improving of perceived usefulness and perceived ease of use as the important things that strongly influence the human behavior which been adapted from Theory of Reasoned Action (TRA).

The analyses of related research regarding to the TPB and TAM is shown in Table 2.2 below.

Table 2.2

<table>
<thead>
<tr>
<th>Authors</th>
<th>Area</th>
<th>Behavioral Intention</th>
<th>Perceived Usefulness</th>
<th>Perceived Ease of Use</th>
<th>Attitude</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jieun, Imsook, Munkee and Jaejeung (2005)</td>
<td>t-commerce</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>- Trust</td>
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<td>- Normative Believe</td>
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<td>- Subjective Norm</td>
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<tr>
<td>Yung &amp; Jeff (2012)</td>
<td>mobile TV</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>- Subjective Norm</td>
</tr>
<tr>
<td>Hong-bumm, Taegoo and Sung (2009)</td>
<td>airline B2C e-Commerce</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>- e-trust</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- Subjective Norm</td>
</tr>
<tr>
<td>Hung (2004)</td>
<td>e-shopping</td>
<td>User</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>- User Satisfaction</td>
</tr>
<tr>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>- Perceived Information</td>
</tr>
</tbody>
</table>
**RESEARCH METHODS**

**Conceptual Framework and Hypothesis**

Based on the previous research and discussion on the previous studies, conceptual framework for this study was developed as shown in this following figure.

Based on the conceptual framework above, the hypotheses were developed as follow:

- **H₁**: There is no relationship between perceived usefulness and intention to use e-money transaction
- **H₂**: There is no relationship between perceived ease of use and intention to use e-money transactions
- **H₃**: There is no relationship between perceived security and intention to use e-money transaction
- **H₄**: The relationship between perceived usefulness and e-money transaction will be mediated by security
H₅. The relationship between perceived ease of use and e-money transaction will be mediated by security
H₆. The relationship between perceived security and e-money transaction will be mediated by security

**Operating Definitions**

The definitions of variables are as follow;

1. E-money transaction on consumers is one of electronic communication that the consumers use as payment tools.
2. Perceived risk is the uncertainty risk that is accepted by the consumers
3. Perceived usefulness is in which system a person believes to use as the result a particular his job performance.
4. Perceived ease of use is in which system a person as his free of effort
5. Security system is the security can help the consumer to avoid hackers to attack their account.

**Population and Sample**

According to Sekaran and Bougie (2010:262), the population is a group of people, events, or thing that can be investigated. The sample of this study is the bank customers in Medan, Indonesia. Medan is one of the largest markets in Indonesia. A total of one thousand and five hundred respondents will be selected using purposive sampling method around Medan, Indonesia.

**Data Collection Method**

Primary and secondary data were used in this study. Primary data is first source data directly from the source (Cooper & Schindler, 2006). For the purpose of this study, cross-sectional field work using questionnaire is the most appropriate method of data collection since this is social process study (Babbie, 1995). Primary data will be collected directly using questionnaires which be distributed to the samples. By doing survey method, more socioeconomic variables can be included in to the questionnaire. This data will include the consumers’ intention to use e-money. Multiple regression and mediation test will be used to test the develop hypotheses.

**Research Instrument**

All construct will go through validity and reliability test. Each instrument will be considered reliable if it can measure what it wants to measure (Nunnally, 1978). A proposed instrument is listed in the Table 2.3 below:

Table 2.3

<table>
<thead>
<tr>
<th>Authors</th>
<th>Titles</th>
<th>Variables</th>
</tr>
</thead>
<tbody>
<tr>
<td>Giovanis, Binioris and Polychronopoulos (2012)</td>
<td>An extension of TAM model with IDT and security/privacy risk in the adoption of internet banking services in Greece</td>
<td>Perceived Usefulness</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Perceived Ease of Use</td>
</tr>
<tr>
<td>Featherman</td>
<td>Factors influencing the adoption of internet banking: An integration of TAM and TPB with</td>
<td>Performance risk</td>
</tr>
</tbody>
</table>
Conclusions

This study tries to adapt the TPM and TAM theory in order to understand the consumer intention to use e-money in Indonesia. The paper is just a conceptual study to understand the general idea consumer intention to use e-money in general. The limitations as well as the possibilities of creating new paradigm on new alternative transaction in the current business environment and might be guided issuers to use the right strategy in order to attract more consumers to use the e-money transaction and increase user acceptance by improving implementation system. Futures research should incorporate more variable and sample in the study since consumer are quit homogeneous in nature. The study should be a basis to explore more on e-money related study.

References


Job Satisfaction, Organizational Commitment, and Intention to Leave: A Study on Visiting Lecturers in Universiti Utara Malaysia (UUM)

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Abstract

Employee retention, the opposite of turnover, has been of importance to both researchers and practitioners. This study intended to answer the following questions (1) how satisfied are the visiting lecturers of UUM, (2) how committed are they to UUM, (3) do they have intention to leave in the short or the long run, and (4) do job satisfaction and organizational commitment impact intention to leave?. The study implemented a mixed methodology where both quantitative data and qualitative data were collected. Ninety eight (98) questionnaires were distributed and four interviews were conducted. Out of the 98 questionnaires, only 35 were returned and analysed. The quantitative data results showed that the majority of the visiting lecturers are satisfied (mean=6.2), quite committed (mean=5.7), their intention to stay is also noticeably high (mean5.2), and their intention to leave is quite low (mean3.05). In addition, the qualitative results also showed that the visiting lecturers were satisfied with their job. However, the interviewees showed some concern about the working culture (the absence of integration between local staff and visiting lecturers) and bureaucracy (time wasted to get things done). This study could serve as a reminder to UUM top management that taking care of the working culture and bureaucracy could contribute to more commitment and less turnover intention. It is worth mentioning that satisfying foreign lecturers who came from different cultures and who have different expectations could be a point of concern to UUM top management. It is important to merge the visiting lecturers into the system and make them feel they are part of the family so that they could be more committed and hence deliver more.

Key words: job satisfaction, organizational commitment, intention to leave, visiting lecturers in UUM

Introduction

Job satisfaction is an antecedent to turnover intention. Whereas, employees are most likely to turnover when both their psychological well-being and their job satisfaction are low (Wright and Bonett, 2007), satisfaction with meaningful work and promotion opportunities were significant predictors of turnover intention (Wright and Bonett, 1992). Research results have shown job dissatisfaction to be associated with negative behavioural outcomes such as absenteeism, workplace accidents, and labour turnover (Griffith, Horn, & Gaertner, 2000; Hellman, 1997; Hellriegel & Slocum, 2004; Newstrom, 2007; Sousa-Poza & Sousa-Poza, 2007).

Organizational commitment refers to an individual’s feelings about the organization as a whole. It has become more important than ever in understanding employee behaviour because it is identified as more stable and less subject to daily fluctuations than job satisfaction (Angle and Perry, 1983; Mowday et al., 1982). Organizational commitment can be generally defined as the relative strength of an individual’s identification with, and involvement in, an organization (Mowday et al., 1979; Meyer et al., 2002). As an antecedent, it is noted that committed employees are less likely to leave the organization, as well as feel the need to go beyond normal job requirements. Committed employees also make a more significant and personal contribution to the organization, perform better, engage in organizational citizenship behaviours (OCBs) and are less likely to engage in unproductive or destructive behaviours (Meyer et al., 1993, 2002).
Intention to leave (the attitude) is the turnover variable most often utilized in research (including this research). This is primarily due to turnover intention being the critical antecedent of actual turnover (the behaviour) (Steel and Ovalle, 1984), and because turnover intention is an attitude that can be sampled in the present and in conjunction with factors that are causing the turnover intention, resulting in a more accurate understanding of the causes. Furthermore, since managers can actively influence the factors causing employee’s turnover intention, as the employee has not left the organization yet, understanding of turnover intention is of more value for managers. Therefore, studies which contribute to an understanding of the relationships between these variables are not simply of theoretical interest, but are also of considerable practical value to managers who are then able to address these factors in a preventative manner and avoid problems associated with the outcome of actual turnover.

In this study, we look into to what extent the visiting lecturers in UUM are satisfied, to what extent they are committed to UUM, and to what extent they intend to leave. Below are some relevant literature on the main variables of the study.

**Job Satisfaction**

Currall et al., (2005) found pay satisfaction to be positively related to performance and negatively related to employee turnover intentions. Similarly, the results of another study by Davis (2006) also showed general job satisfaction to be strongly and negatively related to turnover intentions (r = -.69). Job satisfaction has been shown to be the main predictor of turnover intention (Larrabbee, et al., 2003; Parry, 2008).

According to Ghiselli, Lopa, and Bai (2001), the most important construct in attempting to understand turnover is job satisfaction.

Carayon et al. (2006) reported that turnover intention is influenced by job satisfaction and organizational commitment. Koberg and Chusmir (1987) study revealed that innovative work climate is positively related to job satisfaction and negatively linked to intention to leave. Lum et al. (1998) suggested that job satisfaction has indirect influence on turnover intent while pay satisfaction has both direct and indirect impact, and that organizational commitment has the most direct effect on the rate of turnover.

Most researchers (Lambert et al., 2001; Stone et al., 2006) agreed that demographic characteristics and work environment factors considerably shape employee job satisfaction which accordingly shapes turnover intention. According to Lambert et al. (2001, p. 236), "[...demographic characteristics are commonly included in job satisfaction studies as control variables]". They found that age, tenure and education level or academic level shown to be major predictors of turnover, whereas marital status and race reported to be poor predictors of turnover. Thatcher et al. (2003) contended that gender and age are negative correlate of turnover. Carayon et al. (2006) reported in their study that turnover rate among women in technical sectors is higher than those of women in other fields.

Udo and Tor-Guimaraes (1997) found significant correlations between organizational commitment and intention to stay (correlation of 0.33) amongst 216 plant managers. The correlation between job satisfaction and organizational commitment also proved to be strong (0.46).

Durkin and Bennett (1999) reported studies where significant negative correlations were found between internalised commitment and turnover, as well as a positive correlation with longer tenure intentions.

Career satisfaction is another major factor that determines turnover. Career satisfaction is commonly assessed as a subjective career success that is defined by the individual’s satisfaction with their career
accomplishments (Judge et al., 1995). Significant predictors of career satisfaction include goal-specific environmental supports and resources, which provide social and material supports for employee’s personal goals (Barnett and Bradley, 2007).

Job satisfaction, organizational commitment, and turnover intention are ones of the most examined popular subjects in the study of work related attitudes since the importance of organizational factors in affecting attitudes or behaviours of employees has attracted considerable attention on the organizational behaviour area (Mathieu and Zajac, 1990; Meyer and Allen, 1984, 1990; O’Reilly and Chatman, 1986). In different studies, many researches and scholars examined the relationships among job satisfaction, organizational commitment, and turnover intention to see if there is any difference or not from the other studies, and to compare the differences if so. The majority of the studies suggested that job satisfaction has a significant and positive relationship with all dimensions of organizational commitment (Bagozzi, 1980; Reichers, 1985). Though the why and how question is still in question, organizational commitment and job satisfaction are jointed variables affecting negative outcomes such as turnover intention is clear (Shore and Martin, 1989).

Job satisfaction has been shown to be the main predictor of turnover intention (Larrabee, et al., 2003; Parry, 2008). Ding and Lin (2006) investigated the differences in job satisfaction and turnover intention between Taiwanese and U.S. hospital employees. They found that the negative direct effect of job satisfaction on turnover intentions and the indirect effect through organizational commitment are stronger for U.S. hospital employees than for Taiwanese hospital employees. Job satisfaction has important consequences for both organizations and their employees. Satisfied workers perform their jobs better (Judge, Thorensen, Bono, & Patton, 2001), are less likely to engage in counterproductive behaviours (Chen & Spector, 1992). Job satisfaction has been shown to be closely related to intentions to leave an organization (Chen & Spector, 1992) and turnover intentions (Rusbult & Farrell, 1983; Coomer & Barriball, 2007). Job satisfaction also was shown to be associated with employee health and psychological well-being. In a meta-analysis, Hellman (1997) showed that the relationship between job satisfaction and intent to leave was significant and consistently negative. Hellman’s findings support those of Price and Mueller, (1981) and Cavanagh and Coffin (1992), that increasing job satisfaction subsequently decreases rates of turnover intentions. Studies show that job satisfaction is related to satisfaction with life in general (Lance, Lautenschlage, Sloan, & Varca 1989).

Organizational commitment

As an outcome, organizational commitment has been found to arise from positive work experiences, job satisfaction, trust in management, and attractive remuneration and rewards (Meyer et al., 2002). Research in this area reports a strong relationship between organizational commitment and turnover, specifically that higher levels of commitment result in lower levels of intention to leave, therefore lower turnover (Allen and Meyer, 1990; Falkenburg and Schyns, 2007; Bentein et al., 2005; Good et al., 1996; Harris and Cameron, 2005; Huselid, 1995; Rhoades and Eisenberger, 2002). Organizational commitment is one of the predictors of turnover intention (Arnold and Feldman, 1982; Hollenbeck and Williams, 1986).

Organizational commitment refers to an individual’s feelings about the organization as a whole. It has become more important than ever in understanding employee behaviour because it is identified as more stable and less subject to daily fluctuations than job satisfaction (Angle and Perry, 1983; Mowday et al., 1982).

Committed employees also make a more significant and personal contribution to the organization, perform better, engage in organizational citizenship behaviours (OCBs) and are less
likely to engage in unproductive or destructive behaviours (Meyer et al., 1993, 2002). As an outcome, organizational commitment has been found to arise from positive work experiences, job satisfaction, trust in management, and attractive remuneration and rewards (Meyer et al., 2002). Finally, research has also found relationships between high-commitment human resource policies and positive organizational outcomes, such as overall organizational productivity, quality and profitability (Huselid, 1995; MacDuffie, 1995). As such, organizational commitment is considered an important employee quality for organizations as it is indicative of a more stable, engaged and higher performing employee.

Turnover intention is defined as the mediating factor between attitudes affecting intent to quit and actually quitting an organization (Gliszmeyer, Bishop, & Fass, 2008). In a meta-analysis of the antecedents and correlates to employee turnover (Griffeth, Hom, & Gaertner, 2000), intention to quit, job satisfaction, and organizational support were shown to be predictors of employee turnover. Mowday, Porter and Steers (1979) defined organizational commitment as a strong belief in the organization’s goals and values and a willingness to exert considerable effort on behalf of the organization. Commitment to organization is linked to very important work-related factors: employee turnover, absenteeism and performance (Mowday, Steers & Porter, 1979; Romzek, 1990). Organizational commitment is regularly conceptualized as an affective attachment to an organization as a consequence of an individual sharing the organization’s values, their desire to remain in the organization, and their willingness to exert effort on behalf of the organization (Mowday, Steers, & Porter, 1979). Previous examinations of commitment reveal that it deals with the individual’s identification and involvement with an organization (Porter et al., 1974). When thought of this way, commitment is beyond passive loyalty, it involves an active relationship wherein individuals are willing to give of themselves to contribute to the organization’s well-being (Mowday et al., 1979). The most commonly accepted thoughts on commitment are that it is an indicator of employees who are strongly committed to an organization and are least likely to leave, hence it is a psychological state that binds an individual to an organization (Meyer, Allen, & Gellatly, 1990). As a psychological state commitment is then characterized as an employees’ relationship with the organizational and the decision the employee makes to continue membership in the organization (Meyer & Allen, 1991). Committed employees are willing to go beyond the minimum requirements of their duties and are more likely to remain with the organization than uncommitted employees (Meyer & Allen, 1997). In 1987, Meyer and Allen developed a commitment model with three measures of commitment that conform to previous researcher’s conceptualization of commitment. The components were labeled affective commitment, continuance commitment, and normative commitment. Affective commitment refers to an employee's emotional attachment to, identification with, and involvement in the organization (Meyer & Allen, 1997). Continuance commitment is so named because the employee feels the need to stay due to the potential loss of things such as benefits if they choose to leave and their lack of alternative employment and they are aware of the costs associated with leaving the organization (Allen & Meyer, 1990; Meyer et al., 1990). Normative commitment reflects a feeling of obligation to remain with the organization. Employees have been taught through socialization that the organization expects their loyalty (Meyer & Allen, 1991; Meyer et al., 1990). Research indicates employees with a strong sense of normative commitment positively correlate to work behaviours such as job performance, work attendance and organizational citizenship. They may not display the same enthusiasm or involvement as employees with affective commitment; however they may have an important impact on the way in which the work is accomplished (Meyer & Allen, 1997). Research results have shown job dissatisfaction to be associated with negative behavioural outcomes such as absenteeism, workplace accidents, and labour turnover (Griffeth, Horn, & Gaertner, 2000; Hellman, 1997; Hellriegel & Slocum, 2004; Newstrom, 2006; Sousa-Poza & Sousa-Poza, 2007). Currall et al., (2005) found pay satisfaction to be positively related to performance and negatively related to employee turnover intentions.

Organizational commitment is regarded as a multi-dimensional construct, consisting of affective, normative and continuance commitment (CC) (Allen and Meyer, 1990; Meyer et al., 2002). A detailed description of these three dimensions and their finer details will not be highlighted here as this has been
done extensively by the aforementioned authors and many others. In brief summary, affective commitment (AC) relates to an attachment based on a sharing of values with other members of the organization, while normative commitment (NC) is a sense of obligation to an organization. CC is based on the perception that an employee has no realistic choice or viable alternatives other than to remain with the organization. In this conceptualization then, organizational commitment is clearly related to choices about remaining with, or planning to leave, an organization.

Turnover Intention

In the field of HRD and OD, career satisfaction, organizational commitment, and turnover intention are frequently used variables for satisfaction, performance, change, and innovation. Although there are diverse studies exploring the relationships among career satisfaction, organizational commitment, and turnover intention (Lambert et al., 2001; Shields and Ward, 2001), little research has been conducted, focusing on the common antecedents of three variables simultaneously to reflect the dynamics in organizations.

Research in this area reports a strong relationship between organizational commitment and turnover, specifically that higher levels of commitment result in lower levels of intention to leave, therefore lower turnover (Allen and Meyer, 1990; Falkenburg and Schyns, 2007; Bentein et al., 2005; Good et al., 1996; Harris and Cameron, 2005; Huselid, 1995; Rhoades and Eisenberger, 2002). Organizational commitment is one of the predictors of turnover intention (Arnold and Feldman, 1982; Hollenbeck and Williams, 1986).

The antecedents of turnover intention. A number of HRM practices have been suggested as potential solutions for turnover, such as investment in training, offering organizational support, adopting innovative recruitment and selection processes, offering better career opportunities (Cheng and Brown, 1998; Forrier and Sels, 2003; Hinkin and Tracey, 2000; Walsh and Taylor, 2007; Walters and Raybould, 2007) and adopting measures to increase job satisfaction and commitment (Aksu, 2004).

Labour turnover is not only a significant tangible dollar cost but also an intangible or “hidden” cost associated with loss of skills, inefficiency and replacement costs (Lashley and Chaplain, 1999). Lashley (2000) refers to lost investment in training and lost staff expertise as particular examples of turnover costs and opportunity costs. Some scholars point to more intangible transaction “costs” of labour turnover associated with organizational behaviour and related “hygiene factors” such as work reutilization, role conflict, poor job satisfaction, low morale, poor commitment, corrosive supervision/leadership and a lack of career development that impact on employee productivity, effectiveness, quality and hotel service standards (Deery and Iverson, 1994; Davidson et al., 2001a, b, c; O’Connell and Kung, 2007). Empirical evidence has shown that lost productivity resulting from staff turnover may account for more than two-thirds of the total turnover cost (Hinkin and Tracey, 2008).

A reduction in employee turnover would be a significant factor in reducing hotel costs and improving labour productivity. Yet, managing and accounting for turnover remains a vexed question for hotels as there is no single point of accountability within or between departments. There appears to be few successful strategies to achieve improved labour turnover and the hotel accountability structure remains relatively weak. The HRM budget generally covers direct costs of turnover (Davidson et al., 2006). This is most likely because the cost of staff turnover falls outside the conventional accounting practices within hotels. This practice signifies lost accountability and diminished internal organizational visibility for this cost. The lost accountability issue is exacerbated when it is recognised that the cause of the cost originates from a different accountability unit (i.e. the area of the organization where the employee works) to the unit that incurs much of the cost associated with staff turnover (HRM).
Curlall et al., (2005) found pay satisfaction to be positively related to performance and negatively related to employee turnover intentions. Similarly, the results of another study by Davis (2006) also showed general job satisfaction to be strongly and negatively related to turnover intentions ($r = - .69$). Job satisfaction has been shown to be the main predictor of turnover intention (Larrabee, et al., 2003; Parry, 2008).

A number of HRM practices have been suggested as potential solutions for turnover, such as investment in training, offering organizational support, adopting innovative recruitment and selection processes, offering better career opportunities (Cheng and Brown, 1998; Forrier and Sels, 2003; Hinkin and Tracey, 2000; Walsh and Taylor, 2007; Walters and Raybould, 2007) and adopting measures to increase job satisfaction and commitment (Aksu, 2004).

Empirical evidence has shown that lost productivity resulting from staff turnover may account for more than two-thirds of the total turnover cost (Hinkin and Tracey, 2008). As turnover increases, service quality may decline as it takes time and resources to “back fill” departing employees, especially at busy hotels (Lynn, 2002).

**Methodology**

This study looked into the impact of job satisfaction and organizational commitment on intention to leave. This study implemented a mixed methodology where both quantitative and qualitative data were obtained from the visiting lecturers in UUM. As for the quantitative data, a questionnaire was designed to measure the 3 variables. Four items were used to measure each of the 3 variables of the study.

**Measurement**

Out of the 4 items used to measure job satisfaction, 2 items were adopted from the Michigan Organizational Assessment Questionnaire by Commann, Fichman, Jekins, and Lesh (1979) and 2 items were adopted from a 3-item scale developed by Friedman and Greenhaus (2001). These items were used to measure global job satisfaction.

Organizational Commitment was measured using Allen and Meyer’s (1990,1996) Affective Commitment Scale. Affective commitment was chosen because it refers to the involvement and attachment to the organization/company. That is to say, the employee remains with the company / organization because he or she wants.

In this study, Intention to leave was defined as occurring when ‘ the employee decides to leave the organization at some unspecified point in the future’ (Sager, Griffeth, & Hom, 1998, p.225). This definition is based on a model proposed by Mobley (1977, s cited in Sager et al., 1998), where the construct ‘ thinking of quitting’ is directly related to ‘ intention to search’, which directly related to ‘ intention to quit’ or intention to leave, which is related to turnover. Thee items were used to evaluate thoughts and intention to leave the organization developed by Chapman (1991) e.g. ‘ I would prefer another more ideal job than the one I now work in’). Chapman noted a principle components analysis of the measure yielded one factor. One item was added by Odle-Dusseau (2008) to assess a more behaviorla competent of intention to leave. The item was ‘ I am presently seeking to change jobs.

**Data Collection**

Both quantitative and qualitative data were obtained in this study. As for the quantitative data, out of 98 questionnaire sent by e-mail, 12 were obtained and out of 50 questionnaires that were self-administered, only 23 were obtained. The total number of questionnaires obtained was 35 out of 98, which makes a response rate of 35.71%.
As for the qualitative data, four interviews were held with four visiting lecturers from different countries. All four interviewees were from outside Malaysia.

**Results and Data Analysis**

Below are the results of the data analysis. Descriptive analysis, reliability analysis, correlation analysis, and regression analysis were used to obtain the results below.

**Reliability Analysis**

Reliability analysis was used to ensure that all items used in each variable are free from error, therefore, providing consistent results. The reliabilities of scales used were assessed through determination of Cronbach’s alpha. In general, reliabilities of more than 0.7 are good (Hair et al., 2006). The Cronbach’s alpha obtained for this current study were conducted job satisfaction, commitment, intention to leave and intention to stay and are shown in Table 2.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Number of items</th>
<th>Items dropped</th>
<th>Cronbach Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jon Satisfaction</td>
<td>4</td>
<td>-</td>
<td>0.83</td>
</tr>
<tr>
<td>Commitment</td>
<td>4</td>
<td>-</td>
<td>0.82</td>
</tr>
<tr>
<td>Intention to Leave</td>
<td>2</td>
<td>-</td>
<td>0.68</td>
</tr>
<tr>
<td>Intention to Stay</td>
<td>2</td>
<td>-</td>
<td>0.90</td>
</tr>
</tbody>
</table>

**Correlation Analysis**

Table 2 represents the correlation matrix among the operationalized variables in this study. These bivariate correlations allow for preliminary inspection and information regarding hypothesized relationships. In addition to that, correlation matrix gives information regarding test for the presence of multicollinearity. The table shows that no correlations near 1.0 (0.8 or 0.9) were detected, which indicate that multicollinearity is not a significant problem in this particular data set. Hair et al., (2006) highlighted, high correlation (more than 0.8) between variables will lead to multicollinearity problem and is not recommended regression analysis to be performed. Finally, Table 3 proved the existence of the correlation between independent variables and dependent variable.

**Descriptive Analysis**

Descriptive analysis was conducted in subsequent to the validation and reliability processes to ascertain the mean scores and standard deviations for the variables. Based on 35 valid cases being analyzed for all the variables namely independent and dependent, the statistic output as depicted in Table 4 was derived.
All the variables were measured using a 7-point Likert scale ranging from strongly disagree, weighted as 1, to strongly agree, weighted as 7. From the result it was found that most of the variables were more on the right scale on the 7-point Likert scale. The close mean score with each construct show each construct is closely related and warrant further statistical testing to understand how these constructs are related to each other.

Table 4
Descriptive for the Major Variables

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>STD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jon Satisfaction</td>
<td>6.20</td>
<td>.967</td>
</tr>
<tr>
<td>Commitment</td>
<td>5.71</td>
<td>1.02</td>
</tr>
<tr>
<td>Intention to Leave</td>
<td>3.05</td>
<td>1.47</td>
</tr>
<tr>
<td>Intention to Stay</td>
<td>5.25</td>
<td>1.64</td>
</tr>
</tbody>
</table>

As of October 27th, there are 98 visiting lecturers in UUM. Out of these 98 visiting lecturers, 24 are full professors (VK7), but 2 out of the 24 are distinguished visiting professors, 11 of them are associate professors (DS53), 57 of them are visiting senior lecturers (DS51) and 5 of them are senior lecturers (DS52) and only 1 as a lecturer.

Out of the 98 visiting lecturers in UUM, there are only 12 females (12.24%) compared to 86 males (87.75%).

As for the country of origin, the majority of the visiting lecturers came from Indonesia (18.36%). Table 6 below highlights the country of origin of the visiting lecturers.

Hypothesis Testing

As can be seen from table 5 all hypothesized relationships were supported. Hypotheses 1 predicts that there is a significant relationship between job satisfaction and organizational commitment. The results of regression equation testing this relationship show that job satisfaction explained 37 percent of the total variance of organizational commitment and it was positively related. In addition, hypothesis 2 and 3 examining the relationship between commitment and intention to leave and intention to stay were supported as can be seen in table 5. Finally, hypotheses 4 and 5 examining the relationship between job satisfaction and both intention to leave and intention to stay were supported as well. The detailed results of regression analysis are present in table 5.

Table 5
Hypothesis Testing Results

<table>
<thead>
<tr>
<th>Path</th>
<th>Description</th>
<th>Hypothesis</th>
<th>Beta Coefficient</th>
<th>t-value</th>
<th>Supported</th>
</tr>
</thead>
<tbody>
<tr>
<td>JB→COM</td>
<td>Job Satisfaction→ Commitment</td>
<td>H1</td>
<td>0.614</td>
<td>4.465</td>
<td>YES</td>
</tr>
<tr>
<td>COM→LI</td>
<td>Commitment→ Intention to Leave</td>
<td>H2</td>
<td>-0.504***</td>
<td>-3.354</td>
<td>YES</td>
</tr>
<tr>
<td>COM→RI</td>
<td>Commitment→ Intention to Stay</td>
<td>H3</td>
<td>0.325*</td>
<td>1.974</td>
<td>YES</td>
</tr>
<tr>
<td>JB→LI</td>
<td>Job Satisfaction→ Intention to Leave</td>
<td>H4</td>
<td>-0.702***</td>
<td>-5.656</td>
<td>YES</td>
</tr>
<tr>
<td>JB→RI</td>
<td>Job Satisfaction→ Intention to Stay</td>
<td>H5</td>
<td>0.384***</td>
<td>2.391</td>
<td>YES</td>
</tr>
</tbody>
</table>

Table 6: Country of Origin
<table>
<thead>
<tr>
<th>Name of country</th>
<th>Number of visiting lecturers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indonesia</td>
<td>18</td>
</tr>
<tr>
<td>India</td>
<td>14</td>
</tr>
<tr>
<td>Nigeria</td>
<td>10</td>
</tr>
<tr>
<td>Yemen</td>
<td>7</td>
</tr>
<tr>
<td>Pakistan</td>
<td>6</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>6</td>
</tr>
<tr>
<td>USA</td>
<td>6</td>
</tr>
<tr>
<td>South Korea</td>
<td>2</td>
</tr>
<tr>
<td>Malaysian</td>
<td>5</td>
</tr>
<tr>
<td>Uganda</td>
<td>3</td>
</tr>
<tr>
<td>The Philippines</td>
<td>4</td>
</tr>
<tr>
<td>Iran</td>
<td>2</td>
</tr>
<tr>
<td>Australia</td>
<td>2</td>
</tr>
<tr>
<td>UK</td>
<td>2</td>
</tr>
<tr>
<td>Japan</td>
<td>1</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>1</td>
</tr>
<tr>
<td>Palestine</td>
<td>1</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>1</td>
</tr>
<tr>
<td>Jordan</td>
<td>1</td>
</tr>
<tr>
<td>Egypt</td>
<td>1</td>
</tr>
<tr>
<td>Sweden</td>
<td>1</td>
</tr>
<tr>
<td>Canada</td>
<td>1</td>
</tr>
<tr>
<td>Iceland</td>
<td>1</td>
</tr>
<tr>
<td>Iraq</td>
<td>1</td>
</tr>
<tr>
<td>Singapore</td>
<td>1</td>
</tr>
</tbody>
</table>

**Qualitative Data Results**
A non-direct question, which was ‘Please tell us about your experience and how you feel about UUM’? Below are the transcripts of the answers to the question mentioned above.

**Interviewee 1**

Well, by and large, I am happy in UUM. The pay is ok. The people around here are kind. The weather is nice compared to my country; it is warm. The work load is not that bad; however, there are few things that are bothering me. **One of these things is the working culture. People seem not bothering about what you are areas of research are.** I have been here for about a year, no one even asked me or tried to get to know what my areas of expertise are. I felt as if I am a stranger to others in the school. Another thing is bureaucracy here. It takes too much time to get something settled. I believe UUM top management has got to know something about these few things.

**Interviewee 2**

I joined UUM before more than one year. I think it is good to work here. People are kind. They smile to you and the pay is ok, al hamdu lellah. But, the teaching load is heavy. There is no time for research. I am not happy because compared to local lecturers who have many PhD students, I don’t have any so far. It is not fair, my colleague has just joined this semester and they appointed him as a second supervisor while I have been here for almost one year, they have not appointed me any. It is unfair. Why is that so? My local colleagues are nice, **but I feel like a stranger**. It could be how I feel, but this is how I feel. Oh, one more thing I don’t like is bureaucracy. Too **much time is needed for them to settle one thing**. I hope they will take better care of us as visiting lecturers.

**Interviewee 3**

I joined UUM about one and a half years ago. There are many facilities around here that you can utilize. I do go swimming, I play soccer, I go cycling. I just love the environment. Some people refer to UUM as a jungle. I always respond by saying ‘what a beautiful jungle it is’. Well, people are nice though some can just stab you from behind badly if they decide to. I could see that people here are more curious to know about you more than people in KL, for instance. **Unfortunately, they never tried to know what you are doing academically.** They care to know more about your personal life. Nevertheless, I was lucky to be surrounded by caring people, nice ones.

As for the work here, it is good. But there are few things that I hope will improve by time. I **still remember I had to wait for more than 3 months to get my name card.** Three months!!! I was wondering why it had to take 3 months to settle a name card. I went to the main office of the school more than 7 times reminding the officer to get it done. Moreover, as an expatriate (visiting lecturer) here, **I feel I am not part of the family.** There are so many people in the school and faculty who thought I have just joined. We never met. There was no meeting organized for me to get to know other colleagues of mine in the same department even. I was wondering what is wrong? **Is it the culture?** I did feel a stranger till I decided to break the ice a bit by bit. It is truly hard to get into their circles.

**Interviewee 4**

I encountered three problems here at UUM.

First, **the leaders and managers isolate themselves from the faculty.** The only interaction is when they demand documents. **The staff and managers treat us like we are custodians.** I see no resemblance to a family atmosphere here at UUM.
Second, UUM has a very complex bureaucracy with many forms. I have trouble finding people who can explain things to me. Everyone acts as if everything is known and easy, but I am a foreigner. I could not even get a straight answer about the end date on my contract. I almost hopped on a plane to flee this nightmare we call UUM.

Third, UUM has evolved into a bureaucratic nightmare. Everything requires multiple forms that take the administration weeks to process. Everything from time off, applying for reimbursing, approval to submit research articles, etc.

Discussion and Conclusion

The quantitative results showed that the majority of the visiting lecturers are satisfied (mean=6.2), quite committed (mean=5.7), their intention to stay is also noticeably high (mean=5.2), and their intention to leave is quite low (mean=3.05). In addition, the qualitative results also showed that the visiting lecturers were satisfied with their job. However, the interviewees showed some concern about the working culture and bureaucracy. This study could serve as a reminder to UUM top management that taking care of the working culture and bureaucracy could contribute to more commitment and less turnover intention. It is worth mentioning that satisfying foreign lecturers who came from different cultures and who have different expectations could be a point of concern to UUM top management. It is important to merge the visiting lecturers into the system and make them feel they are part of the family so that they could be more committed and hence deliver more. In addition, correlation and regression analyses also indicated that there was a relationship between job satisfaction, organizational commitment and intention to leave or stay. This highlights the importance of making sure the visiting lecturers are satisfied so that they become committed and hence like to stay longer in UUM.

Comparing the quantitative to the qualitative data results, it is seen that there are some similarities in terms of satisfaction. However, the qualitative data results revealed few issues concerning satisfaction and hence intention to leave.

All interviewees stressed the importance of being integrated within the local environment. Four of them shed light on the working culture, which must reflect working with local staff as a family. They were all unhappy about being treated as strangers, as they described it. The other issue they highlighted was bureaucracy and the time wasted to get something settled. This result should serve as a feedback to UUM management so that certain steps are taken to ensure visiting lecturers are more integrated with the local staff, both academic and non-academic.

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bottom-up, top-down and bi-directional models of relationships between global and life facet satisfaction. Journal of Personality, 57, 601-624. http://dx.doi.org/10.1111/j.1467-6494.1989.tb00565.x


The Moderating Role Of Organization Size On The Relationship Between Individual Characteristics and System Conditions On Successful Implementation Of Human Resource Information System (HRIS)

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Abstract

Past studies on HRIS have not established the moderating role of organization size to the successful implementation of HRIS. Therefore, this study will examine the relationship between individual characteristics and system condition to the successful implementation of HRIS with organization size as a moderator. Technology Acceptance Model (TAM) will be used to explain user satisfaction and system usage to measure the success of HRIS implementation.

Introduction

Successful implementation of Human Resource Information System (HRIS) in executing Human Resource Management (HRM) functions such as recruitment, selection, benefit and reward management, training and performance assessment (Grensing-Pophal, 2001; Fisher & Howell, 2004) has helped organization to enhance its efficiency in managing human resources (Hurley-Hanson & Giannantonio 2008; Ngai & Wat 2006; Swee 1998; Snell, Pedigo, & Krawiec 1995). As Human Resource (HR) functions become increasingly reliant on information technology systems, it is important to examine the effects of such systems on the successful implementation of HRIS. The implementation has to be planned carefully to achieve the objectives. Any failure in the implementation will have negative effects on the organization including the costs incurred (Ives & Baroudi, 1983) to implement HRIS. However, past literature suggested that nearly half of all new technologies implemented in organizations failed (Aiman-Smith & Green, 2002; Fisher & Howell, 2004). From HR perspective, failed implementation of such systems can be particularly disruptive, as failure lead to cynicism about future change efforts (Reichers, Wanous & Austin, 1997).

Zmud (1979) has found that previous studies on HRIS users have identified organization feature, organization environment, task, individual, interpersonal, employee information system feature and management policies concerning information system as factors that influence a successful implementation of HRIS. Studies related to information system conducted by various researchers have placed individual characteristics as one of the variables; as they have found that the success of information system implementation to be greatly influenced by individual characteristics (Haines & Petit 1997; Igarbia & Chidambaram 1997; Ngai & Wat 2006; Park & Chen 2007). Several researchers have found that the individual characteristics and system conditions are the vital factors in order to explore the successful HRIS implementation of an organization (Anthony, Kacmar & Perrewe 2002; Haines & Petit 1997; Igarbia & Chidambaram 1997). Other studies have established organization size as an important moderating factor in information system implementation. However, studies on HRIS have not explored organization size as a moderator. Therefore, there is a lack of study on organization size as moderating variable to examine the successful implementation of HRIS. Harrington and Kendall (2007) and DeLone (1981) have found that organization size as significant predictors of involvement and success on strategy and system implementation in the organization. Although a number of studies have been done previously on the usage of computerized computer
system, the literature on successful HRIS implementation is still under study particularly system usage in implementing HRM function.

Based on previous study by Haines and Petit (1997), successful implementation of HRIS in the organization has been conceptualized as two dimensions of users satisfaction towards HRIS and system usage within the organization. Ball (2001) claims that users satisfaction is an important aspect to consider for successful implementation of HRIS. Individual characteristics and system conditions are also factors that would influence the successful implementation of HRIS in organization (Anthony, Kacmar & Perrewe 2002; Haines & Petit 1997; Igbaria & Chidambaram 1997; Arris, Ragunathan & Kunnathar 2000). Besides, organization size will be used as moderating variable to examine the successful implementation of HRIS. Thus, the purpose of this study is to determine the relationship between individual characteristics and system conditions on successful implementation of HRIS as it is moderated by organization size.

**Successful Implementation of Human Resource Information System (HRIS)**

Ball (2001) stated that the successful implementation of HRIS has significantly affected the operation, relation, and development aspects of the organization. Information technology used in human resource management is widely known as Human Resource Information System (HRIS). HRIS is a system that is used to retrieve, store, analyze, manipulate, correct errors and distribute information accurately relating to human resources in an organization (Pintelon, Preez & Puyvelde, 1999). Successful implementation of HRIS in an organization requires commitment and involvement of various parties and also depends on the development of the system ease of use. The successful implementation of HRIS enables management and human resource executives to analyze employee’s data stored in this system. It helps to attain fast and accurate analysis results relating to human resource (Pintelon, Preez & Puyvelde, 1999). Effective decision and analysis using HRIS will make the organization to be more competitive in utilizing the organizational resources effectively and efficiently. This will facilitate the organization to acquire market competitiveness (Morgan, 2003).

**Introduction to HRIS**

HRIS is a system that is utilized to retrieve, store, analyze manipulate, correct errors and distribute information accurately relating to human resources in the organization. Ball (2001) in his study has mentioned that HRIS is a system that uses computer technology function to store, connect, analyze and present data relating to human resource in an organization. According to Ivancevich (2004), HRIS refers to a collection of methods and approaches to retrieve, store, analyze and monitor the flow of information throughout the organization and is more than just an inventory. HRIS that has been developed by an organization can be used to execute all functions of human resources. This system includes the ability as inventory program, career planning program and worker service program such as electronic bulletin.

Meanwhile Ceriello & Freeman (1991) defines HRIS as a system that allows users to manage employee records where data is inserted into the system and can be retrieved from the communication network or personal computer. The output can be viewed online or printed. Thus, it can be concluded that HRIS is a system that has been developed by an organization to collect, gather, store, analyze, rectify, manipulate, distribute data as well as the generate a flow throughout the organization.

Based on all of the definitions above, by effectively using the HRIS, every department and unit in the organization can obtain information it needed quickly and easily. This includes preparing reports and planning for units and departments. This is because, every data and information with regards to every employee at every level in the organization can be obtained by using HRIS. Besides
that, upper management can also obtain information of existing human resource ability level accurately and easily for the organization’s overall planning.

**Human Resource Information System Success**

Successful implementation of HRIS provides positive impact on the effectiveness of human resource management in an organization. This is because, human resource is an important asset for organization to achieve its organizational objectives and daily operations. Thus, a reliable, effective, efficient and an orderly human resource management can provide a harmonious working environment between the employer and employees. And this will assist to the improvement and success of an organization. According to Desimore, Werner & Harris (2002), HRIS usage in an organization can increase accuracy of data, quick data processing, develop sophisticated report as well as improve productivity.

Swee (1998) however, claimed that the implementation of HRIS in an organization can provide power to employees in monitoring their own information, decrease data error because employees are able to monitor personal records and allow users to access information according to their need. This is due to the network that is has been build, so that HRIS users can retrieve their information at any time according to their needs. In addition to that, implementation of HRIS can enhance the level of employees service. Because employees feel that they are being appreciated and needed in achieving the objectives of the organization. This occurs because employees are given responsibility to guard and monitor their own personal data and information.

Based on the above opinions, Desimore, Werner & Harris (2002) viewed the benefits of HRIS usage from data management perception in the organization is that it can stimulate productivity. Swee (1998) on the other hand, viewed the implementation of HRIS from employees point of view. By involving employees to ensure accuracy of personal information, resulting in employees appreciation and help increase employee’s sense of belonging toward the organization, which in turn helps stimulate motivation to work. Looking at both perspectives, it can be concluded that optimum HRIS usage and effective management can improve employee motivation as well as productivity. Snell, Patricia & Krawiec (1995) also have similar opinion about the benefits of HRIS implementation in an organization but they viewed it more on the impact of the implementation.

To clarify HRIS implementation, system users play a vital role to the success of the implementation. Pintelon, Preez & Puyvelde (1999) defined HRIS users as human resource managers, department of human resource employees, HRIS implementation experts, line managers, upper managers and training coordinators. They are important users who ensure the process of HRIS implementation will be performed smoothly to achieve targeted goals. The objective is to create a complete and accurate employee database such as employee evaluation report, knowledge, skill and career development in the organization is among the responsibilities of human resource managers today and in the future (Anthony, Kacmar & Perrewe, 2002). Consequently, the implementation of HRIS is viewed to be suitable to support this role.

In the 1980’s, information system was used moderately in most organizations. Kavanagh, Guetal & Tannenbaum (1990) in their study extracted that most organizations only used computers to store data and for administration purposes. The study has also found that organizations did not use computer as a medium for planning and managing. The awareness of the importance of using information technology and competitiveness has changed the perception of management and organization about computer usage in managing human resources. According to Ball (2001), stiff competition and the need to make fast decisions have driven the use of HRIS in organizations. This is because organizations today are aware and have started to focus their attention on the most important asset which is the human resources. However, the process to develop HRIS is not easy as it involves
a systematic and meticulous process so that the creation of the system is able to support the goals of the organization.

Implementation of HRIS in an organization requires commitment and involvement of various parties. Its success also depended on the development of the system ease of use. According to Anthony, Kacmar & Perrewe (2002), studies have shown that there is one out of two development information system projects that have failed to achieve development objectives. This situation happened due to several factors. According to Anthony, Kacmar & Perrewe (2002), the failure of a project is linked to the system itself because it is difficult for users to understand and operate, the development process was unsystematic, not planned properly and lack of service from suppliers. This happened partly because the system suppliers failed to provide training to use the system, contributing to the lack of good understanding about the system.

The ideal assessment of HRIS success would probably includes data from a return on investment or utility analysis. Considering many constrains such as a financial approach, surrogate measures of effectiveness are often favoured. This may explain why in the information systems (IS) field of inquiry, user satisfaction and system usage have become the two common measures of successful implementation of HRIS (Haines & Petit 1997).

User Satisfaction and System Usage

Ball (2001) claimed that user’s satisfaction is an important aspect to consider for the success of information system implementation. User satisfaction refers to a pleasurable entity or an entity that stimulates positive emotions from using HRIS in the workplace (Ball, 2001). System usage is defined by considering the length of system usage in the organization (Haines & Petit, 1997).

The usage of HRIS enables management and human resource executives to analyze employee’s data stored in this system. It helps to attain fast and accurate analysis results relating to human resource (Pintelon, Preez & Puyvelde, 1999). Effective decision and analysis using HRIS will make the organization becomes more competitive by utilizing organizational resources effectively and efficiently. This will facilitate the organization to acquire market competitiveness (Morgan, 2003).

User satisfaction has received attention in previous information system (IS) research. In a setting where usage is voluntary, system usage is also considered to be an acceptable measure of success to the extent that the systems are used extensively only when they are perceived to be of value to the end user (Haines & Petit 1997). Together, user satisfaction and system usage provide a more complete picture of system success than if either measures were applied in isolation. The first is based on attitudes and beliefs whereas the second is based on behaviors. It should be mentioned here that these measures focus more on system success than on system sophistication. A system may be sophisticated, that is, it may have good relational database, but for a variety of reasons such as complicated interface, improper use or limited to equipment, it may be considered unsuccessful.

A number of conditions can help explain the levels of user satisfaction and system usage. Typically, the computerization process within the human resource management department begins with need analysis and is completed with the implementation and maintenance of the system. From the beginning to the end of the process, many decisions and conditions influence the final configuration of the system. For example, the system can either be developed internally or externally by acquiring it from a vendor. The system can provide a vast array of integrated human resource management applications or just one stand-alone application. Users may have acquired extensive computer experience or none at all. They may also have access to computer support, or they may function in relative isolation. These and other individual characteristics and system conditions are expected to influence user satisfaction and system usage.
Technology Acceptance Model (TAM)

Research about users’ acceptance to information technology has been done by many researchers. They focused on personal computer usage (Igbaria et al., 1995) or acceptance to simple application software such as word processing, spreadsheet software and e-mail (Agarwal & Prasad, 1999; Davis, 1993; Davis, 1989; and Vankatesh & Davis, 1996) and digital libraries (Hong et al, 2002). Technology Acceptance Model (TAM) has been validated as a powerful framework to explain users’ acceptance and adoption of information technology (IT). According to TAM, usage of an IT is determined by users’ intention to use the systems, which in turn is determined by users’ beliefs about the system.

One of the model that has been validated as a framework to explain successful implementation of HRIS and adoption of information technology (IT) is Technology Acceptance Model (TAM). According to TAM, usage of an IT is determined by user intention to use the systems, which in turn is determined by user’s beliefs about the system. The model for information system is derived from social psychology theory known as Theory of Reasoned Action (TRA) (Ajzen & Fishbein 1980). TRA is very general where it is designed to explain virtually any human behavior (Fishbein and Ajzen, 1980). The adaptation of TAM from TRA is known as Technology Acceptance Model (TAM), which is specifically meant to explain computer behavior (Davis 1989; Park & Chen 2007). The goal of TAM is to provide an explanation of the determinants of computer acceptance that is general, capable of explaining user behavior across a broad range of end-user computing technologies and user populations, while at the same time being both parsimonious and theoretically justified (Davis, 1989).

Key purpose of TAM is to provide the basis for tracing the impact of external factors on internal beliefs, attitudes and intentions. TAM posits that two perceptions are of great significant in influencing user acceptance and use of technology: perceived usefulness (U) and perceived ease of use (EOU). Perceived usefulness is defined as the degree to which a person believes that using a particular system would enhance his or her job performance, while perceived ease of use refers to the degree to which a person believes that using a particular system would be free of effort (Davis, 1989).

TAM has been applied to a wide range of information systems (Yi-Shun Wang et al. 2003; Venkatesh 1999), organizational context (Igbaria & Chidambaram 1997), and user profile (Huo & Kearns 1992; Venkatesh 1999). According to Pikkarainen et al. (2004), it is imperative to examine the acceptance of new technologies with different user population in different organizational contexts. The subject of users’ acceptance to information technology has been explored by many researchers. Their focused on personal computer usage (Igbaria et al., 1995) or acceptance to simple application software such as word processing, spreadsheet software and e-mail (Agarwal & Prasad 1999; Davis 1993; Davis, Bagozzi & Warshaw, 1989; Vankatesh & Davis 1996) and digital libraries (Hong et al. 2002).

Based on past literature, TAM has been tested in many studies (i.e. Davis 1989; Mathieson 1991; Segars & Grover 1993; Taylor & Odd 1995), and it has been found that TAM’s ability to explain attitude towards using an information system is better than other model’s (Theory of Reasoned Action and Theory of Planned Behavior) (Mathieson 1991). These studies have found that TAM consistently explains a significant amount of variance (typically around 40 percent) in usage intention and behaviour. The use of an information system has been understood in many studies as the user acceptance of the information system in question (Davis 1989; Davis 1993; Al-Gahtani 2001). In other words, the use of information system acts as an indicator for information system’s acceptance.

Previous studies using TAM have been confined to areas of information systems, organizational context, user profile, personal usage of computer, and digital libraries. Therefore, this
study would extend the usage of TAM in the area of Human Resource Management since information technology has shaped the organizational component of a company (Hurley-Hanson & Giannantonio 2008; Ngai & Wat 2006; Ngai, Law, Chan & Wat 2008). Furthermore, many researchers have reported that previous studies using original TAM did not incorporate the external contextual variables that may be important in predicting perceived usefulness or perceived ease of use (Musa 2006). The advantage of using a TAM model as the research model is that various modified TAM models have been empirically supported in the literature as a powerful framework for examining information technology acceptance factors (Jiang, Hsu, & Lin, 2000).

Past Research

Hurley-Hanson and Giannantonio (2008) maintains that the importance of HRIS has increased substantially and has become important in all industries in particular after the September 11 incident where organizations need to develop their HRIS system extensively to enable them to continue operations that include avoiding employee information being destroyed during such crisis. Furthermore, past research on HRIS have focused on the users (i.e Fisher & Howell 2004; Swee 1998; Park & Chen 2007; Ngai et al. 2008; Haines & Petit 1997), benefits (i.e Haines & Petit 1997; Musa 2006) and implementation (i.e Snell, Patricia & Krawiec 1995; Haines & Petit 1997; Musa 2006; Ngai & Wat 2006; Ngai et al. 2008) of HRIS.

A study by Haines & Petit (1997) derived from a few questions such as cost of developing and implementing the system, lack of user’s involvement, design of the system which contributes to the success of such system, support from management and characteristics of the system. Because of that, the system development and implementation needs to be planned carefully to achieve the objectives. Failure in implementation will have a negative effect on the organization because the organization will have to bear the costs of development and implementation of HRIS. Implementation of HRIS has indirectly influenced management style and employee’s work style in an organization. Thus, to ensure the support of employees and to adapt to the new condition, the organization needs to plan and provide relevant trainings to employees who are involved in the implementation of the system.

Haines & Petit (1997) in their study looked into three characteristics that determine the successful HRIS: individual, organizational and system characteristics. They have considered seven individual characteristics that are expected to influence user satisfaction and system usage: age, gender, education, task characteristics, work experience, computer experience, and computer understanding. Three organizational conditions are size, availability of internal user support and organizational computer experience. There are six system conditions that are expected to influence user satisfaction and system usage: involvement, training, support, documentation, applications development and system functioning conditions.

On the other hand, Yi-Shun Wang, Yu-Min Wang, Hsin-Hui Lin and Tzung-I Tang (2003) and Pikkarainen, Pikkarainen, Karjaluo, & Pahnila (2004) in their studies used TAM to study user acceptance of online banking system. This is because TAM has been validated as a powerful framework to explain users’ acceptance and adoption of information technology. According to TAM, usage of an IT is determined by users’ intention to use the system, which in turn is determined by user’ beliefs about the system. Pikkarainen et al. (2004) study focuses on the perceived ease of use (PEOU), perceived usefulness (PU), perceived enjoyment (PE), information on online banking, security and privacy and quality of internet connection as an independant variable and online banking use as a dependant variable. Yi-Shun Wang et al (2003) study only focuses on the relationship PEOU, PU and perceived credibility towards computer self-efficacy and behavioral intention.

Although there are different variables used by the studies above, they still focus on the factors which will influence user intention and behavior to use the system in their work. The system will
enable users to monitor their personal information and decrease data error. In addition, implementation of the system can enhance the level of users satisfaction. This is because they feel that they are being appreciated and needed to achieve the objective of the organization. By involving users to operate the system can result in their appreciation and help increase their sense of belonging toward the organization. As a result, it helps stimulate motivation to work. It can be concluded that optimum HRIS usage and effective management can improve employee motivation as well as productivity. Yi-Shun Wang et al. (2003) also have similar opinion about the benefit of system implementation in an organization but their view it more on the impact of the implementation.

Study by Wicks (2002) have found that employee satisfaction increases with the usage of information system particularly for employees who have to work outside of the organization. That they can easily obtain information needed through a system accessible online although being away from the organization. Besides increasing a sense of belonging towards the organization, the employees performance found to be enhanced. Employee satisfaction can also be seen from the record of decreasing absenteeism. The employee satisfaction factor in using the system and the improvement in employee performance become the measure for the successful implementation of the system in an organization. Therefore, it has shown that ease of use, easy to understand and easy to access are some of the factors that influence the successful implementation of a particular information system in an organization.

Yi-Shun Wang et al (2003) study examined the relationships between the experience in using computers and the results achieved towards the access through the banking information system as well as confidence level of the respondents towards the security of data stored in the information system. Yi-Shun Wang et al. (2003) have found that there are positive relationships between the experience in using computer and the benefits obtained by accessing the information within the system. Besides, the system features that are easy to understand and use, which can reduce respondents uncertainty on the ability of the system to provide information for them. In fact, respondents feel more secure to make internet banking transactions because of the use of password for example can reduce the risk of exposing their personal information to unauthorized party.

Previous discussions have pointed out studies on HRIS by researchers from the west. Because HRIS is a new thing in Malaysia, there are very few studies on it (Norazuwa, Duratul Ambia’ and Ruslan, 2000). Studies done by some researchers in Malaysia are more focused on the level of computer usage in implementing human resource functions within an organization. Norazuwa, Daratul Ambia’ and Ruslan (2000) have studied the impacts of HRIS implementation in manufacturing companies in the northern parts of Peninsular Malaysia. The study compared the usage of HRIS between organizations in Malaysia and in the United States. Findings of the study showed that most organization in Malaysia are still managing human resources using manual method.

Meanwhile, Mohamed, Suraya and Zainal (1998) have studied factors that influenced the success of HRIS in manufacturing companies in Malaysia. The study looked into individual and system features factors towards the successful implementation of HRIS within the organizations. The study suggested two independent variables that influence the success of HRIS which are the organization and environment. Findings from the study found the existence of environment and organization influence towards the success of HRIS implementation within an organization.

Based on past research, both individual characteristics and system conditions are related to each other and influence the successful implementation of HRIS. Past literature also has established direct influence of organization size to the system success (Harrington and Kendall 2007; DeLone 1981; Haines & Petit 1997) but not as a moderator. Consequently, there is a lack of study on moderating role of organization size to determine the successful implementation of HRIS.
Individual Characteristics as Independent Variable of Successful Implementation of Human Resource Information System (HRIS)

Characteristics is a prominent or distinctive aspect, quality, or features of person. It is related to the employee himself and influence his thought and behaviour. According to Robbins (1998), individual characteristics is a general picture on how person reacts and interacts with another and strong individual characteristics projects the continuous behaviour of a person (Desimore, Werner & Harris, 2002). In addition, individual characteristics as an employees has also been studied to discover whether their knowledge and skills are compatible and can support the implementation of HRIS. Legge (1989) and Hall and Torrington (1986) argued that employees’ knowledge, skill and abilities should be identified for the implementation success in an organization. This is because, apart from using the system, it is the employees who have to manage the information derived from the HRIS so that it would benefit the process of decision making in the organization (Hirschorn 1984). This shows that the individual factors is vital for the implementation of organizational HRIS.

Studies related to information system conducted by various researchers have placed individual feature factor as one of the variables because they have found that the success of information system implementation is greatly influenced by users features (Snell, Pedigo & Krawiec, 1995). Users who do not understand how to operate the system harm the development of such system. Haines and Petit (1997) study perceives that individual features factor which influences the success of HRIS implementation are age, sex, education, tasks features, working experience, computer literacy and computer understanding. The result of their study found that there is no significant differences between gender and users satisfaction and system usage level. However, tasks characteristics was found to influence the level of satisfaction and system usage.

Individual task characteristics such as the structure of decision making, the type of work accomplished, and the decision making level in the organizational hierarchy are also expected to influence system success. The more structured the tasks being accomplished, the easier the development process and the greater the likelihood of implementation success (Cheney, Mann, & Amoroso, 1986). Furthermore, the tasks at higher levels of an organization tend to be less structured and thus less easily assisted by computers (Mawhinney & Lederer, 1990).

Besides, working experience and length of usage in a position influence system usage level developed (Haines & Petit, 1997). This is also supported by Igbaria & Chidambaram (1997) who have found that users style of thinking about executing a task can influence system usage level and style of thinking usually were attained from working experience in a position/department. Work experience is expected to influence system usage. It has been suggested that the length of time in an organization or in a position can change the way individuals make use of the formal and informal information (Euerst & Cheney, 1982). Furthermore, users with more computer experience are expected to be more confident in their ability to use the system and more satisfied with the experience (Igbaria & Chidambaram, 1990). A study showed that subjects with more previous computer experience were more likely to develop their own applications in the early stages of an experiment than were subjects with limited previous computer experience (Kasper & Cervern, 1985).

Based on the above descriptions, it shows that individual characteristics influence the success of HRIS implementation in an organization. And, all these factors are beyond management control. However, management can utilize all individual factors to help achieving the success of HRIS implementation in an organization. Encouragement and examples of work culture experience and ethical values can drive employee and system user in benefiting from the system and efficiently and effectively conduct daily activities (Arris, Ragunathan & Kunnathar, 2000).
System Conditions as Independent Variable of Successful Implementation of Human Resource Information System (HRIS)

According to Anthony, Kacmar & Perrew (2002), system is a set of activities that possess inputs and those inputs will be changed into outputs. Haines & Petit (1997) on the other hand stated that system refers to a specific language that performs and also monitors software activities. Whereas software is defined as the computer program that executes specific functions. And HRIS is a collection of various software that collects, restores, guards, ejects and confirms data regarding employee, applicants and detailed work activities.

HRIS system that was developed also influenced the success of HRIS implementation. According to Anandarajan, Igbaria & Anakwe (2000), a user friendly system is the success indicator of implementing a system in an organization. Beside that, users confident towards the ability of the system to attain accurate output also drive user to use the system frequently (Yi-Shun Wang et al., 2003). Haines & Petit (1997) study found that users involvement in the development and implementation of a system in an organization is another vital factor of implementation success.

Haines & Petit (1997) in their study found that most system factors have significant relationship with user satisfaction but no significant relationship with system usage. However, user involvement in the system development and implementation, suppliers training and management support could not describe user satisfaction and system usage. But, there is a positive relationship between internal training, accessibility, documentation, self training and easily use system with user satisfaction. Users who receive more HRIS training are expected to be more satisfied with the system and to use it to a greater extent (Haines & Petit 1997; Davis 1993). It was expected that users with more HRIS training would be more satisfied with their level of computer competence and thus express higher level of satisfaction and use.

Foong (1999) study is different from Haines & Petit (1997). He found that user involvement has a significant relationship with satisfaction and system usage. Additionally, users satisfaction and system usage have close relationship with computer system and computer instruments. Thus, user involvement towards the system has direct relationship with computer usage. However, Foong’s (1999) findings are similar to Haines & Petit (1997) in terms of upper management support towards satisfaction and system usage. Hence, it can be said that system factor has relationship with the success of HRIS implementation in an organization. Even though, there exist different opinions about a certain factors, but they still have relationship with satisfaction and usage level of HRIS in an organization.

Users who receive more support from general management and from their immediate supervisor for using the system are expected to be more satisfied with it and to use it to a greater extent (Yi-Shun Wang et al. 2003). The expected relationship originates from the planned organizational change literature which emphasized management support as a condition for successful change (Daley. 2002). Besides, Users who have free access to hardware and software products are expected to be more satisfied with the system (Hong et al. 2002) and use the system to a greater extent (Haines & Petit 1997; Davis 1993). In human resource management, being independant from information staff and services has been an important issue (Daley 2002). The more free one has to access the system, the more he/she is satisfied with using the system and hence supports the implementation of the system.

From past researches, individual characteristics and system factors show their influence to the successful implementation of HRIS. This is due to the fact that both factors have been identified as the major influencing factors compare to the other factors. Previously, there are studies about direct influence of organization size to the successful implementation of HRIS but not as the moderating role of organization size. Therefore, this study will examine the moderating role of organization size to the successful implementation of HRIS.
The Moderating Role of Organization Size

Harrington and Kendall (2007) and DeLone (1981) claimed that organization factor plays an important role in the successful implementation of HRIS in an organization. The organization’s capability and support towards the implementation of HRIS can influence its successful implementation. Haines and Petit (1997) in their study refers to organization factor as the size of organization and support received towards the system usage.

Larger organizations are seen to be more successful in implementing HRIS than smaller organizations (Swee, 1998). This is because implementation of a computerized system in an organization requires a high cost. Therefore, smaller organizations have to consider the cost-effectiveness of using computer system to manage their human resources (Gomez-Mejia, Balkin and Cardy, 1998). In comparison, large organizations have more employees, bigger capital and bigger profit margin. Thus, for an organization which has small number of employees, the manual method is more suitable to be used in managing its human resources compared to an organization with bigger number of employees. This is consistent with research findings by Ball (2001) which found out that an organization with bigger number of employees is more suitable and likely to succeed in implementing HRIS than a smaller organization. This is consistent with findings by Kinnie and Arthurs (1996) in private sector. The study found out that there is significant relationship between the size of the organization and the implementation of HRIS in an organization.

The findings above are different than research findings of Haines and Petit (1997) which looked into the influence of organization factor to successful implementation of HRIS. They found out that organization size or department size in implementing HRIS does not have a significant relationship with user satisfaction on the system and system usage level. The research also found out the relationship between management support towards user satisfaction and system usage level in the organization. Past researches have shown that there is a direct relationship between organization size and successful implementation of HRIS (Harrington & Kendall (2007); DeLaone 1981; Haines & Petit 1997). Although there are studies on moderating role of organization size on the implementation of information technology; no study has been conducted to examine the relationship between individual characteristics and system conditions to the successful implementation of HRIS moderated by organization size.

Therefore, it can be concluded that organization size does influence the successful implementation of HRIS in an organization. However, the moderating role of organization size has to be studied further to see the effects on the relationship between individual characteristics and system conditions to the successful implementation of HRIS.

Proposed Conceptual Framework

Past literature has established the relationship between individual characteristic and system condition to the successful implementation of HRIS. Thus, this study is aimed to conform the relationship with the moderating role of organization size to the successful implementation of HRIS. Individual characteristics that influence the success of HRIS implementation covered in this study are individual task characteristics, work experience and computer experience. While the system factors that is viewed to influence success of HRIS implementation are system usage training, system support and accessibility.

Successful implementation of HRIS in this study will be treated as dependant constructs. User satisfaction and system usage will be used as the dimension to measure successful implementation of
HRIS. Thus, Figure 1 shows the conceptual framework that has been created using all information above.

**Summary**

Information technology acceptance is an issue that has received the attention of researcher and practitioner for over a decade. Successful investment in HRIS can lead to undesirable consequences such as financial losses and dissatisfaction among employees (Venkatesh 1999). HRIS evaluation in terms of success metrics is widely held to be important in the assessment of whether the system meets the organizational objectives or not. The system usage and user satisfaction as a measurement of success has long been an elevated perspective, though, of course, systems are developed for many more reasons than happy users. Both of the measures (system use and user satisfaction) are well accepted and mostly used as surrogate measures of IS success (Bokhari 2005). Besides, individual characteristics and system usage are used as an independent constructs to successful implementation of HRIS and it is moderated by organization size.

Application of TAM is appropriate to study the user acceptance toward the successful implementation of HRIS. TAM model has been used to study the successful implementation of HRIS. It has been found to be a strong predictor of intention to use a technology in various organizational and personal situations (Stoel & Lee 2003). It proposed that the more that a user perceived a new technology to be useful and easy to use, the stronger will be their attitudes towards the technology, and the greater will be their intention to use the technology (Davis 1993). The primary objective of this research is to examine the moderating role of organization size on the relationship between individual characteristics and system conditions on successful implementation of human resource information system (HRIS).

**Figure 1: Proposed Conceptual Framework**
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The relationship between Leadership Self-efficacy and Relational Leadership Behavior

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Abstract

This study’s main objective is to examine the relationship between leadership self-efficacy and relational leadership behavior. In this study, the self-efficacy theory was considered as the underpinning theory. Furthermore, this study tends to be quantitative in approach as the use of face to face method of data collection with the aid of study questionnaire was utilized. A total number of one thousand questionnaires were administered on some branch managers of commercial banks. 457 questionnaires were considered for the analysis, thus several methods of data collection were used in the analysis of the data. The result of this study shows that only one dimension of leadership self-efficacy was found to be significantly related to relational leadership behavior. This study is however, found to have contributed to the self-efficacy leadership theory.

Keywords: Leadership, Self-efficacy, Relational Leadership, Behavior

1.0 Introduction

Several cases of inefficient performance, deterioration in performance or complete liquidation of various organizations around the world, have been leveled against managerial leadership. In situations where the performance of firms is exceptionally successful, or in cases where organizations experience collapse, the media and the stakeholders attribute it to the leadership abilities and deeds (Chein & Meindl, 1991; Treadway, Adams, Ranft & Ferries, 2009). One of the consequences of this trend is the intensifying of the complexity of the managerial work as managers are now held responsible for a wider array of responsibilities unlike before (Tsui & Ashford, 1994) as they have to also monitor the external changes embedded in the environment. Such cases of leadership concerns or problems of oversight functions are regularly or frequently reported in Europe, America, Asia (i.e. Korea, China, Malaysia, Indonesia) and other countries like Italy, Brazil, and Africa which in turn lead to deterioration of organizational performance or near liquidation.

As a result of the competitive nature of the business environment, organizations of all sizes need the right kind of leadership in other to survive. Those organizations that are privileged to have effective leaders have the ability to innovate, have the capacity to respond to the market and environmental changes; they are creative in addressing challenges and able to sustain higher performance (Vardiman et al., 2006; Amagoh, 2009). Effective leadership within an organization is often viewed as the foundation of organizational performance and growth (Bass, 1960; Kartz & Khan, 1966; Yukl, 1998; Vardinaan, Houghton & Jinkerson, 2006) hence, organizations that fail to have effective leadership may likely fail to meet performance expectation. It is evident from previous research that leadership (at individual, group or organizational levels) is very important in helping an individual, group or organization to achieve the goals (Mat, 2008).
Tsui and Ashford (1994) pointed out that organisations and managers working in them are faced with several daunting realities. These realities sometimes direct organisations into the idea of downsizing, restructuring, mergers and retooling, with striking frequency, in response to the more turbulent, competitive and rapid advancements in the global market place. Consequently however, Leaders in various organisations around the world are today facing numerous challenges as they are regularly struggling to adapt to the acceleratig changes in their organisations which is both internally and externally embedded in the environment (Avolio & Luthans, 2006; Hooijberg, Hunt, & Dodge, 1997; Lord & Hall, 2005; Hannah, Avolio, Luthans & Harns 2008). This situation not only challenges the leaders’ ability, their skills or knowledge but even questions their capabilities of leading their organisation or the psychological resources needed in meeting the ever accelerating demands of their managerial roles.

Traits such as self efficacy and high expectations are regularly given consideration by theorist especially in relation to effective leadership issues (House & Shamir, 1993; Chemer, 2001). Self-efficacy can be said to be particularly salient in a crisis situation as it is seen as a person’s overall estimate of his/her ability to achieve requisite performance in achievement situations (Schunk, 1983; Eden & Zuk, 1995; Ross & Gray, 2006). Leadership self-efficacy is regarded as one of the most important variables that determines the individual, group and outcomes of the organisations’ activities, as it plays a very important role, particularly under stress or demanding situation (Hoyt, 2005). LSE can be referred to as a person’s perception of his/her general ability to lead (Murphy, 1992). Several researches conducted in the past have shown strong and positive association between self-efficacy and several forms of human performance (e.g. Holden, 1991; Multon et al., 1991; Stajkovic & Luthans, 1998; Semadar, Robins & Ferris (2006); Anderson, Krajewski, Goffin & Jackson, (2008). However, this study recommends the LSE of the leaders in the Nigerian banking sector based on Anderson et al.’s (2008) taxonomy of LSE; among which are LSE for self-discipline, serve, project credibility, challenge and involve LSE.

2.0 Literature Review

2.1 Leadership self-efficacy

Several studies have examined the relationship between leadership self-efficacy and effective leadership behavior and other organizational outcomes (McCormick, Tanguma, & Lopez-Forment, 2002; Onglatco, Yuen, Leong, & Lee, 1993; Paglis & Green, 2002; Semadar, Robins, & Ferris, 2006; Robertson & Sadri, 1993; Wood & Bandura, 1989a; Jenkins, 1994 & Anderson et al., 2008). These researches, have in the past, highlighted the effectiveness of LSE in predicting leadership and organizational outcomes (Robertson & Sadri, 1993; Onglatco et al., 1993; Semadar et al., 2006; Hannah, 2006). Robertson and Sadri (1993) found that managerial efficacy relates to most performance criteria. In the same vein, Onglatco et al. (1993) they found that managerial efficacy significantly relates to perceived mobility, perceived success and earned salary. Furthermore, Chemers et al. (2000) found that LSE significantly correlated with the instructor ratings of leadership potential and effectiveness. Consequently, Murphy et al. (2003) found that the perceived leadership efficacy is positively related to ratings of the leaders’ performance. Coincidentally, Semadar et al. (2006) found a weaker relationship between LSE and managerial performance. Further, Hannah (2006) reported that overall leadership efficacy relates to senior officers’ ratings of transformational leadership and performance.

The work of Paglis and Green (2002) also shows LSE to be related to change related outcomes. LSE significantly related to different ratings of effectiveness and employee engagement (Luthans & Peterson, 2002). Based on the result of Murphy and Ensher (1999), LSE shows a significant relationship with leaders’ own ratings of leader–member exchange. Anderson et al (2006) conducted a study to measure the LSE- effective leadership relationship. The subsequent result shows that Self-Discipline LSE associated with Impartial Leadership. Challenge LSE was associated with exhibiting Creative and Strategic Leadership. The negative loading of Involve LSE in combination with a positive loading of Tenacious Leadership shows a negative relationship hence Convince LSE and Project Credibility LSE loaded positively whereas Serve LSE loaded negatively with influential
leadership. The result further gave an impetus to the present study as recommended by Anderson et al (2008).

In the same vein, considering the emphasis on the studies above, Hannah, Avolio, Luthans and Harms (2008) observed that the concept of leadership efficacy is one area that has received relatively little attention, as limited studies or theory building contributions that link efficacy to leadership exist. Consequently however, Anderson et al., (2008) improved on the work of Paglis and Green (2002) as they argued that past studies have measured LSE as a latent construct; hence it did not have the capacity to be multidimensional. Their result produced 18 dimensions of LSE and nine taxonomies of effective leadership behavior based on multi-source measures. Their recorded some positive and negative relationship; hence, they recommended that future studies should be conducted based on their two taxonomies, as they recommended that the meaningful relations observed in their study provide an avenue for future studies.

2.2 Relational Leadership
According to Gittell, and Douglass (2012), relational leadership builds on Follett’s (1949) concept of reciprocal control, a form of control that is not coercive but rather “a coordinator of all functions, i.e., collective self-control”. Thus, in order to achieve this form of leadership, it requires a kind of leadership that is distributed throughout the organisation rather than concentrated in few positions. The core characteristic of relational leadership is the embedding of authority into each role based on the knowledge associated with it (Gittell, and Douglass, 2012). One characteristic of relational leadership is leading through humble inquiry as described by Schein (2009) as a form of giving, seeking and receiving help that leaders can use to establish a culture of reciprocal learning throughout an organisation (Gittell, and Douglass, 2012).

Relational leadership (worker-manager), along with relational coordination (worker-worker) and relational co-production (worker-customer) are three processes of reciprocal interrelating that form the core of relational bureaucracy. Relational bureaucracy is a hybrid of the relational and bureaucratic forms in which reciprocal interrelating enables participants to respond to each other in knowledgeable and caring ways. While formal structures embed reciprocal interrelating into roles, thus enabling the scalability and sustainability typically associated with the bureaucratic form (Gittell & Douglass, 2012).

Foldy and Ospina (2012) posited that as the criticisms of traditional leadership theory and research unfolded, it amplified and diversified a variety of new terms which in turn challenged the notion of leadership as a one-directional relationship between leader and follower. They argued that scholars have referred to leadership as shared, (Pearce & Conger, 2003) distributed, (Gronn, 2002) constructed, (Hosking, 2003) post-heroic (Drath, 2001) and relational (Ospina & Sorenson, 2006; Fletcher, 2004; Uhl-Bien, 2006) among other terms. In this sense, leadership is not something that the leader as one person possesses, but as much as it is something achieved in community and owned by the group (Ospina& Sorenson, 2006; Foldy et al, 2008; Foldy and Ospina, 2012).

Gittell, and Douglass (2012) defined relational leadership as “a process of role-based reciprocal interrelating” between workers and managers to negotiate the work that is to be done. Furthermore, Uhl-Bien (2006) defined relational leadership as “a social influence process through which emergent coordination (i.e., evolving social order) and change (e.g., new values, attitudes, approaches, behaviours, and ideologies) are constructed and produced.” The two definitions show the different ways scholars look at relational leadership as the first definition implies that leadership is about how independent individuals inter-relate across different hierarchical positions, while the second views relational leadership as a jointly constructed but disembodied process not in individuals.

According to Comeche (2004), as reported in Lobato et al (2010), leaders who are relationship-oriented tend to increase the collaboration and the teamwork among their team members. In this sense, they succeed in achieving a better team climate as a consequence of the building and maintenance of the interpersonal relationships, as well as reducing unnecessary conflicts.
Furthermore, leaders that tend to use this type of leadership style mostly obtain higher levels of motivation by offering positive interaction and creative collaboration.

Ancona, Backman & Parrot (2012) presented what they termed as “the D-leadership model”. They based their argument on the fact that Gittell and Douglass’ (2012) definition of relational leadership allows organisations to fuse the more focused, in-depth knowledge of workers with the broader, less focused knowledge of managers to create a more integrated, holistic understanding of the situation. Thus, their model differs in a number of important ways with the past models presented by researchers. Their model differed with others in two ways, i.e. they argued that leadership decisions arise not just from worker-manager interactions, but from worker-worker and worker-customer interactions as well. Secondly, relational model rests upon the assumption that managers and workers have very different knowledge bases as there exist a great deal of overlap in the knowledge base of workers and managers. Hence, they observed that in the D-leadership model, leadership behaviour emerges from the interaction of leaders, teams and contexts.

There are other leadership theories that are synonymous with relational leadership style, e.g. The LMX (Graen & Uhl-Bien, 1991) and the distributive leadership. the Leadership Making model (Graen & Uhl-Bien, 1991; Uhl-Bien & Graen, 1992; Uhl-Bien & Graen, 1993) gives recognition to the increased proportions of the high quality relationships that were found in organisations by describing a kind of process for the accomplishment this through the use of dyadic partnership building (Graen & Uhl, 1995).

3.0 Research Framework

<table>
<thead>
<tr>
<th>Independent variables</th>
<th>Dependent variables</th>
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</thead>
<tbody>
<tr>
<td>Self discipline, Involve, Serve, Project Credibility, and Challenge LSE</td>
<td>Relational Leadership Behavior</td>
</tr>
</tbody>
</table>

*Figure 1: Research Framework*

4.0 Method

4.1 Research Design

This study is a descriptive and correlation type of survey design. This type of design is considered suitable for collecting primary data. Descriptive type of studies are usually undertaken in organizations so as to learn about or describe characteristics of a group, i.e. age, level of education, job status or years of service (Sekaran & Baugie, 2009). It is also undertaken to understand the characteristics of organizations that follow common practice.

Correlational studies are conducted in order to identify important factors that are associated with the problems. Thus, the choice of this method solely depends on those research questions asked and how the said problem is defined (Sekaran & Baugie, 2009). It is conducted in a natural setting of organizations with the researcher having minimal room for interference, as it is done in a normal flow of work. Correlation studies conducted in an organization are called field studies (Sekaran & Baugie, 2009). This study is designed as a field study that is conducted by the researcher; hence the distribution of the face-to-face questionnaire was conducted by the researcher.
This study is also explanatory in nature as hypotheses were developed and tested. The work of Anderson et al. (2008) indicated that their study did not develop hypothesis due to the lack of past studies; hence, this study tested some hypotheses that were developed. Hypothesis testing is usually undertaken in order to explain the variance on the dependent variable or is intended to predict certain organizational outcomes (Sekaran & Bougie, 2009).

4.2 Population and unit of analysis
A population of a study refers to the entire group of people chosen to be the focus of the study, events or things that are of interest to the researcher and which he wishes to investigate (Sekaran & Bougie, 2009). A population is a complete group of entities sharing some common set of characteristics (Zikmund, 2010). The population of this study comprises the branch managers of the 24 commercial banks in Nigeria with their 5118 branches that cut across the 36 states of the country, plus the nation’s capital, Abuja. These 24 banks were selected to be the population of this study based on the Africa Report (2009) which shows the exact number of banks to be 24. There are a total number of 5,118 branches that are spread across the country owned by the 24 commercial banks in Nigeria hence this represents the population of this study. The branch managers in these banks serve as the leaders of those branches. Further, the unit of analysis of this study is individual.

4.3 The Research Sample and Technique
Sampling refers to the process of selecting a smaller number of some items or some part of a larger population in order to make conclusions about the whole of this population (Zikmund, 2010). A sample is a subject that represents populations as it comprises some members who are selected from the population; thus’ it is a group that represents the population under study (Sekaran & Bougie, 2009). This study uses the probability sampling technique. According to Sekaran (2003), probability sampling gives each respondent equal chance of being chosen as a sample. For this purpose, stratified sampling was adopted. Haunt and Tyrrell (2004) stated that in a stratified sample, the sampling frame is divided into non-overlapping groups or strata. A sample is driven from each stratum which would give a clearer representation leaving no stone unturned. This study used probability sampling and other form of sampling i.e. non-probability sampling in other as to give equal opportunity for each member of the population to be chosen. The disadvantages that have to do with non-probability sampling i.e., the population may not have the opportunity to be chosen hence the findings of the study cannot be generalized to the entire population (Sekaran and Bougie, 2009).

4.4 Measures
In order for concepts to be measured, it had to be made operational; operational definition gives meaning by giving specific activity or operation that is necessary to measure (Zikmund, 2010). Anderson et al. (2008), Blake and Mouton (1982), Fleishman (1975), Bass (1990).

4.4.1 Self-Discipline LSE
Self-Discipline self-efficacy in this study is operationalised as efficacious managers believe in their ability to demonstrate emotional maturity and perseverance in the exercise of business. Leaders with Self-Discipline LSE hence believe in their ability to maintain composure and stability across a wide range of business situations. They are able to control their personal behavior in the workplace and always try to promote discipline.

4.4.2 Involve LSE
In this study, involve LSE is operationalised as self-efficacious managers with the ability to interact with co-workers and subordinates in ways that respect their views and ideas. They are participative in nature and distributive of authority. Managers high in involve LSE hence are individuals who believe in their ability to authorize others to assume work responsibilities; they bring to the attention of others relevant information, involve subordinates in the business decision-making and consider different perspectives about people, business issues, or problems.

4.4.3 Serve LSE
Serve LSE is operationalised as managers having belief in their ability to set aside ego and pretence for the greater good of the organization. Hence, leaders who have the efficacy to serve put the larger interests of the organization ahead of personal needs; they admit errors and share credit. They behave adaptively as circumstances at work evolve and at the same time, are the types of people that appreciate the value in human differences.

4.4.4 Challenge LSE
Challenge LSE is operationalised in this study as managers high in efficacious ability to set and realize tough performance standards. Managers who are high in challenge LSE believe in their ability to establish specific, challenging, and attainable performance targets by setting higher standards of performance. They are good in getting results by realizing business objectives and always assess progress toward goals and objectives.

4.4.5 Project Credibility LSE
Project credibility LSE in this study is operationalised as managers high in efficacy believe in their ability to be fair and just and also to appear honest and believable to others. Hence manager’s ability to be efficacious in project credibility will normally act consistently and in accordance with principles, values, and business ethics of the organization. They create positive first impression through demeanor and appearance and act in a way that fosters trust by following through on commitments.

4.4.6 Relational Leadership Behavior
According to Anderson et al., (2008), managers who display effective relational leadership behavior are thus regarded as being effective interpersonally. This type of leadership had been found in previous leadership studies i.e. person-oriented leadership of Blake and Mouton (1982), consideration by Fleishman (1975) and individualized consideration by Bass (1990). One characteristic of relational leadership is leading through humble inquiry. As described by Schein (2009), it is a form of giving, seeking and receiving help that leaders can use to establish a culture of reciprocal learning throughout an organization (Gittell & Douglass, 2012). In this study, relational leadership is operationalised as effectiveness which is wholly characterized by focus on the interpersonal process in interacting with others (Anderson et al., 2008). In sum, relational leaders exhibit their personal concern for the well-being of others, take their time to let others understand and observe they have done a good job, are readily approachable, converse with co-workers and cultivate a sense of teamwork, cohesion and inclusiveness.

4.5 Questionnaire administration
In this study, a quantitative method of data collection was adopted with the use of questionnaire which was adapted from past studies. The questionnaires were distributed to the respondents face-to-face. A total of 1000 sets of questionnaires (subordinate and self-rated) were distributed to a sample of the branch managers and their subordinates in the 24 commercial banks. It has a total population of 5118 bank branches. Out of the total questionnaires sent, 457 questionnaires were returned of which 434 questionnaires were considered suitable to be included in the analysis. About 23 questionnaires were in one way or the other considered not suitable to be included in the analysis as a result of many missing values and some were completed half way.

4.6 Data analysis
The data were inserted into SPSS for Windows version 16. The analysis was started by first checking the possibility of missing values. The first test conducted was the checking for possible outliers among the responses. In this case, 21 outliers were found and deleted from the analysis. This left the analysis with 413 cases to be considered for analysis. Exploratory PCA was utilized to see the factorial validity of the measures. In the same vein, the reliability test of the measures was also conducted in order to see the internal consistency of the measures by computing the Cronbach Alpha. The hypotheses of the study were tested using the multiple and linear regressions.
5.0 Results

1.1 Factor Analysis on Leadership Self-efficacy (LSE)

In testing the validity of the items that measure leadership efficacy, an exploratory factor analysis was done on the 24 items that measured the overall variable. This variable has five dimensions and was measured by self-discipline LSE with four items, involve LSE with five items, serve LSE with five items, project credibility LSE with five items and challenge LSE also with five items. This makes overall items that measure LSE (independent variable) to be 24 items in total. The PCA with orthogonal varimax rotation was conducted so as to determine those factors that were appropriate for each dimension i.e. those items that belong together. Going by the result, four items had to be deleted after various tests. These items were found to have either low factor loadings of below .50., low MSA value or low communalities value, hence one item had to be deleted each among four dimensions i.e. self-discipline LSE, serve LSE, involve LSE, and challenge LSE. Only project credibility LSE was found to have had all its five items to have a factor loading of above .50. The result presented a five factor solution with eigenvalues that is greater than 1.0 as the rotated matrix shows that all the items did not cross load, hence it gave the appropriate items that belongs to the same group of measures. This result therefore shows that LSE was measured with 20 items in all. The result is presented at the table.

The next factor analysis is relational leadership behavior. The factor measures the respondents’ perception on their ability to display a sense of belonging and being effective interpersonally. They are person-oriented with a sense of consideration. They are characterized by focus on interpersonal process in interacting with others. Initially it had seven items that measure it but the factor analysis rotated matrix reduced the items to five measures. The factor has an Eigen value of 2.793 and contributes 21.488% of the total variance in the data.

1.2 Reliability Test

After the factor analysis, the next analysis was the reliability test based on the dimensions and the construct under study. The reliability of each of the dimensions was tested to find the Cronbach alpha value of the factors. Hair et al. (2010) posited that a lower limit of Cronbach Alpha value can reduce to .60 and is considered acceptable and reliable for exploratory research. The overall Cronbach Alpha value of LSE is above the required range. The dimensions of the independent variable show that self-discipline LSE has a value (.76), involve (.73), serve (.78), project credibility (.81) and challenge LSE (.78) and the overall LSE shows a reliability of (.64). This shows that the Cronbach Alpha value ranges within .64 to .81. These values have met the required minimum value needed as suggested by scholars (Nunally, 1978; Flynn, Schroeder, & Sakakibara, 1994; Hair et al., 2010). It was also found that the overall Cronbach Alpha value of relational leadership behavior is at (.85) this also meets the required Cronbach Alpha value as suggested by scholars (Nunally, 1978; Flynn, et al., 1994; Hair et al., 2010).

1.3 Regression analysis

The regression analysis of LSE and relational leadership behavior was conducted. This regression was done in other to test the hypothesis of the study; whether all the dimensions of leadership self-efficacy influence relational leadership behavior, thus the dependent variable is regressed on the dimensions of the independent variable. The result shows that LSE explains 32.8% of the model ($R^2$=.328, F-Change= 39.804, p< .01). This analysis result shows that only one of the dimensions contributes to the influencing of relational leadership. Serve LSE has a beta value of $\beta$=.553, p< .01 which shows that it is the only dimension that influences relational leadership behavior. Other dimensions such as self-discipline LSE, involve LSE, challenge and project credibility LSE do not influence or contribute to relational leadership behavior. It is therefore ascertained that hypothesis on serve LSE is accepted and other hypotheses are rejected.

6.0 Discussions
This result of this study shows that it is in concord with McCormick et al. (2002), Chan and Drasgow (2001) and Hendricks and Payne (2007) on individuals’ attempts/motivation to lead and Anderson et al (2008). Murphy and Ensher (1999) found that LSE relates to leaders' own ratings of leader–member exchange. The result of Kane et al. (2002) shows that LSE related significantly to leader goal level, leader strategies and functional leadership behaviors. Subsequently, Paglis and Green (2002) found support for leader behaviors of setting a direction, gaining commitment to change goals and overcoming obstacles to change. Further, in this study, it was found that managers high in serve LSE relates to their relational leadership behavior. Logically it can be concluded that managers that tend to be efficacious in serve LSE are relational in their behavior towards the stakeholders in the organizations.

Consequently however, most of the dimensions of LSE were not significantly related to their corresponding relational leadership behavior. This can be explained by the nature of the result of Anderson et al. (2008). For example, in this study, serve LSE was found to be significantly related to relational leadership, and challenge LSE is significantly related to effective communication behavior. Furthermore, project credibility was found to have been significantly related to both directive leadership style and relational leadership style. This result however contradicts the findings of Anderson et al. (2008) as most of the significant relationship recorded in this study is not in concord with their result. In the same vein, this can be explained by the approach of the two studies conducted. Anderson et al. (2008) used a sample from a single institution i.e. drawn from international financial services company, thus it may likely be due the fact that this study uses a sample that cuts across different banks. Another possibility is that, both this study and that of Anderson et al. (2008) uses the financial services sector, hence it may likely be due to the use of a single sector.

6.1 Limitation and Direction for Future Research

This study is not without some limitations or shortcomings. The first limitation of this study is that although there are a lot of variables that can be considered to measure LSE and leadership behavior, this study is limited to some of the dimensions of the Anderson et al. (2008) taxonomy of LSE and effective leadership behavior. Secondly, the data collection of this study is limited to within three months; hence it can be considered a relatively short period. To overcome some of the limitations of this research, this study recommends that future studies should consider other dimensions of the Anderson et al. (2008) LSE and effective leadership taxonomies at the same time, the possibility of introducing a mediator or moderator variable. This study recommends also, that future researchers should consider longitudinal study in order to have enough time for data collection.

7.0 Conclusions

The research objectives of this study were to examine LSE and relational leadership behavior association, hence it was found that only serve LSE was also found to be significant. Based on the foregoing findings, it can be concluded that the leadership self-efficacy significantly influence relational leadership behavior through serve LSE. As such, it was found that those managers under study consider serve LSE in relation to their being relational in approach. Thus it is concluded that managers high in serve LSE are found to be relational in orientation in the commercial banks.

Additionally, the conceptual model of this research was designed based on the extant relevant literature reviewed. This covers the variables considered in this study i.e. leadership self-efficacy and relational leadership behavior. This is arrived at based on the recommendations for future research to conduct a study on the said objectives highlighted above. Based on the findings of this study, it can be concluded that the research questions and the objectives of this study were answered. Furthermore, it can be concluded that the conceptual model is in line with the underpinning theory (self-efficacy theory) used to explain the framework of this study. Hence the empirical findings justify the underpinning theory employed.
REFERENCE


Impact of Information System on Firm's Performance: Small and Medium Enterprises (SMEs) in Bangladesh

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ABSTRACT

The challenge for Bangladesh today is how to make her existing SMEs better able to compete with their SME rivals from abroad. One way to overcome this challenge is by modernizing their operations with the inception of contemporary technologies into their production processes. Along with this comes the challenge of aligning and enhancing the prevalent culture and practices in line with the needs of these new industries so as to ensure not only survivability but also effectively compete globally. Globalization, as one knows, does not only have challenges but also enormous opportunities for those who have the capability of utilizing this phenomenon. The major issue that is implied for this to take place is the ability to adopt not only any technology but having the ability to choose the most appropriate technology. The primary purpose of this study is to investigate the impact of information systems on the performance of SMEs in Bangladesh which more often than not is related to technology adoption. To accomplish this objective, data was collected through the use of questionnaires from the samples which targeted the organizations operating in the industrial zone in Dhaka, Bangladesh. From the data analysis conducted the results indicate a positive relationship between ease of use (IV1) and skills and knowledge (IV2) with the performance (DV) of SMEs in Bangladesh.

Keywords: Information Systems, Ease of Use, Performance, SME, Bangladesh.

1. Introduction

The economy of Bangladesh is at a crossroad. Rapid liberalization has put most existing industries under severe strain because of their inability to compete with consumer goods being freely imported from abroad after the withdrawal of quantitative restrictions on imports coupled with the drastic reduction of import tariffs. Some producers have been successful in enhancing their products and significantly increasing their external market access, while majority are languishing. The challenge at present is identify the needs that will allow the local SMEs to compete with top class branded products which are abundantly available in the local market. The challenge before Bangladesh today is how to better equip her existing SMEs to compete with foreign SMEs who are marketing their products in Bangladesh. One avenue open to these SMEs to overcome this challenge is to modernize by incorporating up-to-date technologies into their production processes. Along with this comes the question of how to develop the appropriate culture and practices required when setting up new industries which will be able to thrive when faced with global competition. Globalization does not only pose challenges but also provides enormous opportunities for those who have the skills and capabilities to take advantage of it. Therefore the issue here is the choice of the correct or in other words the most appropriate technology to realize the chosen strategy.

Most information systems (IS) adoption research studies involving SMEs have identified the factors that most influence IS adoption behaviour by organizations both big and small. Closer inspection of
these studies reveals that only a limited number of factors actually influence the adoption behaviour. External expertise as well as the skills and knowledge of top management are some of the important factors that influence IS adoption by SMEs (Chau and Hui, 2001). Perceived benefits are also an important factor affecting SMEs willingness to adopt IS (Levy and Powell, 2003). The rapid growth of technological innovations and the diffusion of information technology have drastically changed the way companies compete. Many business enterprises today are implementing information technology (IT) for the purpose of gaining competitive advantage in their industry. In its various manifestations, IT processes data, gathers information, stores collected materials, accumulates knowledge and expedites communication (Chan, 2000). Gaining competitive advantage through the use of information technology requires business owners to have a firm grip over this vital corporate resource and manage its use (Beheshti, 2004).

IT is recognized as a viable, competitive actor via increased productivity, better profitability, and value for customers (Hitt and Brynjolfsson, 1996). Role of IT in competitiveness has been primarily focused on large organizations. However, in today's global market, and in the era of e-commerce, small and medium sized enterprises (SMEs) can employ IT to increase their competitive position along with their larger counterparts (Beheshti, 2004). Barau et al. (2001) for example found that small businesses were utilizing the Internet more than their larger counterparts. In order to take full advantage of IT and to compete effectively in the global business environment, top executives must recognize the strategic value of IT and exploit it accordingly to their advantage. However, there has been little research on the factors inducing small and medium-sized firms (SMEs) to introduce information technology as a means to compete (Premkumar, 2003; Morgan et al., 2006). SMEs are the growth engine many economies in the world. They contribute a major proportion of towards the growth of national GDPs. For instance, in the United States, small businesses create two-thirds of the new jobs, produce 39% of the gross national product (GNP), and generate more than half of the technological innovation (Kuan and Chau, 2001). In Europe, 99.8% of the firms are SMEs, responsible for two-thirds of turnover and business employment (Carayannis et al., 2006).

Small and medium business enterprises, being the economic pillars that they are, need to respond to the competitive environment that they face presently. In many countries, small and medium business enterprises play an important role in the creation of employment and generating economic growth. This said Bangladesh is no different, especially because the country is primarily driven by small and medium business enterprises. These enterprises within Bangladesh lend towards rural growth by increasing income when its people seek employment in the towns and cities. SMEs also have an important role in creating employment opportunities and generating income, especially in rural areas (Tambunan, 2000). Small and medium business enterprises play an important role in supporting economic growth in Bangladesh.

Most of the previous research has centred on large firms. Some studies suggest that information system theories and practices developed for large firms may not be suitable for smaller entities (Premkumar, 2003). SMEs are different from large firms in several ways. In SMEs, decision-making is centralized, with a small number of employees where standard operating procedures are not well laid out with limited long-term planning and a higher degree of dependence on external expertise and services for information systems use (Premkumar, 2003).

2. Literature Review

The study of people's reactions to computing technology has been an important topic in IS research since the 1980s. The theoretical foundation for the study of whether a person is willing to use a technology comes from research on adoption and diffusion (Moore and Benbasat, 1991; Rogers, 2003). Researchers have studied different aspects of the phenomenon and have produced insights
into the cognitive, affective, and behavioural reactions of individuals to technology and into the factors which influence these reactions. No theoretical framework has been more successful at this than the TAM by Davis et al. (1989).

2.1 Information System and Firm’s Performance

SMEs information systems implementation and success have been extensively researched. Recent research development focuses on the relationship between firms and its strategic alignment with information systems (Li and Ye, 1999). These studies suggest that there are positive relationships between the strategy of the firm and information technology. A study conducted by Shin (2001) discovered that IT investments will be more efficient if the systems implementation is aligned with the firms' strategy.

This argument is supported by Cragg et al. (2002) when asserting that IT implementation which is aligned with business strategy had a positive impact on firms' performance. In addition, Davenport (1998) highlighted the importance of having a good fit between the firms' requirement and technology capabilities. The mismatch between what is needed by the firms and service offered by the new technology will yield poor performance. Nevertheless, HyvOnen (2007) opined that sophisticated information technology aligned with ineffective performance measure will yield lower performance outcome. This raises the need for careful planning and a strong justification process be undertaken before a firm reaches the decision to implement an information system. This issue is more profound within SMEs due to their limited resources and experience in the IT field (Mitchell, Reid, & Smith, 2000).

Many firms invest in advanced information technology aiming to collect as much information as possible to assist in the decision making (performance) of the firm which will eventually lead to improved efficiency and enhance the firms’ profitability. Studies have shown that firms' that acquire extensive IT resources are able to create enforceable competitive advantage (King, 1989). Nevertheless, prior researches have difficulty providing evidence on the positive relationship between IT investments and firms' performance (Mahmood & Mann, 1993), Ismail, (2007). Bitler (2001) investigated the relationship between information technology investment and small firms’ performance, using a regression model. Results of his study found that there was a significant performance difference between firms adopting information technology and those who are non-adopting information technology.

2.2 IS Skills and Knowledge

Top management with higher levels of IS skills and knowledge have a better understanding of the perceived net benefits of ISs and in most instances will be more comfortable and enabled to use and utilize IS (Thong, 2001). In addition, SMEs are likely to rely on external experts during their IS implementations (Thong, 2001). Thus, the support from the external experts' makes it easier for SMEs to understand the perceived net benefits that can be realized from becoming enabled and utilizing IS (Lee, 2004).

Despite the significant contribution that IT has made to business, many studies indicate that there are a large number of unsuccessful IT implementations in SMEs and that the adoption rate is very slow (Shin, 2006). Research has given three main reasons for this. First, management doesn't know or is unclear on how and why their firms adopt IT in the first place (Levy et al., 2001). Second, there is a misconception toward the IT adoption process mainly because managers do not understand the relationship between IT and the firms themselves (Bull, 2003) or are uncertain about the opportunities that IT can offer (Southern and Tilley, 2000). Finally, firms do not have the capabilities to expand
their IT resource (Claessen, 2005) because of lack of business and IT strategy, limited access to capital resources, emphasis on automating, influence of major customers and limited IS skills (Bruque and Moyano, 2007).

2.3 Ease of Use

Davis (1985) defined perceived ease of use as, the degree to which an individual believes that using a particular system would be free of physical and mental effort. Tornatzky and Klein's (1982) suggested that, support for the importance of perceived ease could be found in the meta-analysis of innovation adoption. Similarly, Swanson’s research (1982) provided evidence that perceived ease of use is an important behavioural determinant. Swanson hypothesized that potential users will select and use information reports based on a trade-off between perceived information quality and associated cost of access. Davis (1985) concluded that people tend to use or not to use a system to the extent that they believe it will help them perform their job better and also that the beliefs of the efforts required to use a system can directly affect system usage behaviour (perceived ease of use).

3. Method

The primary data for this quantitative research was collected by using questionnaires. They were randomly distributed to samples consisting of managers in SMEs in Bangladesh. Randomly 150 managers were selected from industrial areas in Dhaka, Bangladesh. The questionnaire was distributed personally to the managers by an appointed research assistant. These research methods are important to gather information such as users' preferences, opinions and suggestions.

There are two independent variables. Knowledge and skills related questions have been adopted from D.C. Yen et al (2003). Ease of use variable questions adopted from the Technology Acceptance Model (Davis, 1989). The dependent variable of firm performance and the related questions have been adopted from the Slone (2006).

4. Findings

The result of correlation has indicate that Ease of Use of information system has a positive correlation with performance of SME with the value \( r = 0.954, p < 0.01 \).

<table>
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<th>Variables</th>
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<th>2</th>
<th>3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ease of Use</td>
<td>1.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Skill Knowledge</td>
<td>0.27**</td>
<td>1.00</td>
<td></td>
</tr>
<tr>
<td>Performance of SME</td>
<td>0.95**</td>
<td>0.99**</td>
<td>1.00</td>
</tr>
</tbody>
</table>
Skills and knowledge of information system has a positive correlation with performance of SMEs in Bangladesh with the value \( r = 0.99, \ p < 0.01 \).

Thus, in this study, all the independent variables are correlated with the dependent variable performance of SME. It indicated that among the manufacturing firms in Bangladesh the aspects of an information system have a strong influence on SMEs performance.

The result revealed in regression that the ease of use coefficient of determination \( (R^2) \) is 0.91, representing that 91% of the cases will be correctly predicted by the regression equation and 9% was not. The variable had a tolerance value of more than 0.10 and a variance inflation factor (VIF) of less than 10. Besides that ease of use has \( (\beta = 0.91, \ p < 0.01) \) positive impact on SMEs performance in Bangladesh.

Table 2
Regression of Ease of Use with Performance of SMEs

<table>
<thead>
<tr>
<th></th>
<th>Standard Beta</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ease of Use</td>
<td>0.95**</td>
</tr>
<tr>
<td>( R^2 )</td>
<td>0.91</td>
</tr>
<tr>
<td>F Change</td>
<td>983.402</td>
</tr>
<tr>
<td>Sig. F Change</td>
<td>0.00</td>
</tr>
</tbody>
</table>

Based on the linear regression the result is statistically significant; \( F (1, 98) = 983.402, \ p < 0.01 \). It indicated that there is a positive relationship between ease of use and firm’s performance of SMEs in Bangladesh. The skills and knowledge variable had a significantly high positive correlation \( (0.99) \). The coefficient of determination \( (R^2) \) is 0.99, representing that 99% of the cases will be correctly predicted by the regression equation and 1% not. The variable had a tolerance value of more than 0.10 and a variance inflation factor (VIF) of less than 10.

Table 3
Regression of Skill and Knowledge with Performance of SMEs

<table>
<thead>
<tr>
<th></th>
<th>Standard Beta</th>
</tr>
</thead>
<tbody>
<tr>
<td>Skills and Knowledge</td>
<td>0.99**</td>
</tr>
<tr>
<td>( R^2 )</td>
<td>0.99</td>
</tr>
<tr>
<td>F Change</td>
<td>857.78</td>
</tr>
<tr>
<td>Sig. F Change</td>
<td>0.00</td>
</tr>
</tbody>
</table>

The beta values for the skills and knowledge was significant. This implied that the knowledge and skills has a positive influence on SMEs performance in Bangladesh. Specifically, the result revealed that skills and knowledge has \( (\beta = 0.99, \ p < 0.01) \) positively related with SMEs performance in Bangladesh.

5. Conclusion

The result of this study has confirmed the direct relationship between ease of use and skills and knowledge with the performance in small and medium sized firms in Bangladesh. The result of
The results of correlation, the regression in assessing the variables or the empirical relationship between ease of use, skills and knowledge contribute were positively related to firm performance of SMEs in Bangladesh.

The set of items that correspond to each theoretical construct was initially subjected to an examination of Cronbach's alpha which was confidently reliable at more than 0.7 as recommended. Thus, all measures in the ease of use, skills and knowledge and performance of SMEs items appeared internally consistent, reliable and valid. The high influence between the independent variables and the dependent variable confirmed the hypothesis. The main objective (to measure the relationship between the IVs and the DV) is achieved and thus, it clearly concludes the relationship and level of influence of ease of use, skills and knowledge on SMEs performance in Bangladesh.

With regards to the factors, and in the context of SMEs, the findings of this study demonstrate that various elements influence the adoption of information systems. First, there is a broad consensus on the part of the respondents that the adoption is motivated by the growth experienced by the firm. Growth makes it necessary for firms to adopt new and more powerful technological growth solutions. This conclusion is in line with other research demonstrating the importance of size in technology adoption models for SMEs (Premkumar, 2003).

In the race to win the competition among countries, a country should respond to technological change by enhancing its ability to utilize and adopt the resource (IT) not shy away from it. However, the globalization of the economy is forcing many businesses to change in order to survive in this competitive era (Guinea et al, 2005). The ability of a national economy to adapt with the changing demands has been associated and achieved by the flexibility and responsiveness of small and medium business enterprises (Hunter & Long, 2003).

REFERENCE


Total Service Quality Management And The Service Industry: Evidence From International Airlines

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Abstract

Today the airline industry is one of the fastest and largest growing industries in the world because of its importance in facilitating national and international relation amongst countries, Tangibles, Reliability, Competence, Responsiveness, and Empathy are the core characteristics of service industry. In line with the international standard parameters the study which to recommend to the airline industry to enhance the level of customer satisfaction, customer royalty and customer retention in the industry by providing safety of their life and property, restore full confidence on their quality of service delivery and delight their existing customers in order to attract potential customers.

Keywords: Service quality; Customer satisfaction; customer loyalty; customer retention;

1.0 Introduction;

Today the airline industry is one of the fastest and largest growing industries in the world because of its importance of the industry in facilitating national and international relation amongst countries, economic growth, international business, international marketing, international investment, international trade, sporting activities, visitation, tourism, leisure and education etc. In airline industry, service quality is a recent strategy used by service firm as a competitive marketing strategy just as the physical product all revolving around customer focus, innovation, creative service, satisfaction and striving towards service excellence in order to retain existing customers and to attract potential customers to the industry. Airlines services despite being identical in nature of their business are generally characterized by customer segmentation, customized service, guarantees, continuous customer feedback and comprehensive measurement of company performance (Albrecht, 1992). And its variants are being used by suppliers to gain competitive advantage in the market place. Flight scheduling, ticket prices, in-flight services, deviant behavior, emotion facilities and ticketing procedures are normally consider among the few key factors in determining the airline service quality and core strategy to influence passengers’ choice of airline because of perceived level of safety and other facilities.

Perceived quality can be defined in the content of its customer's perception as the overall quality of services or superiority of a service with respect to its intended aims and objectives, superior to its alternatives.

1.2 kinds of services quality;

Firstly, perceived quality is a perception by customers in the industry and its actually differs from the following related concepts, such as:
Actual or objective quality; which means that the extent to which the product or service delivers superior service when compared to its competitors.

Product-based quality: It refers to the nature and quantity of ingredients, features, or services included in the product or service.

Manufacturing quality: It refers to the conformance to specification of certain product or services i.e. the "zero defect" goal.

Perceived quality are normally subjectively determined, just because it is a perception and also judgments about what is significant to customers are usually involved. An example of washing machines by a Consumer assessment may be competent and unbiased, but it must make judgments about the relative significance of features such as cleaning action, types of clothes to be washed, and so on that it may differs from other customers in the industry.

The characteristic of service is an intangible asset, just as the way and manner we feel about a brand of a service or product. However, the characteristics of the products to which the brand is attached such as reliability and performance. To really understand what are perceived quality, the identification and measurement of the underlying dimensions will be useful, but actually the perceived quality itself is a summary in the global content.

1.3 The concept of perceived services quality towards organizational performance;

The major aims and objectives of service firms are to delight its customers, by providing superior services in order to gain a competitive advantage over and above their competitors. And recently the service sectors have developed strategy and interest among business individuals and groups more especially with the expanded of the seven 7ps. Of course, customers have always been concerned with quality product and services, but the increasing competition in the market for many services has led customers to become more selective in the services they provide.

Understanding the concept of quality for services is more complex and difficult in the real sense than understanding those for quality goods. Because services quality are intangible and to measures service quality can be very difficult due to its nature. To understand which of the dimensions of service quality are of significance to customers is not always easy in their assessment process. Normally it is not adequate enough for services organizations’ to set quality standards in accordance with misguided assumptions of customers’ expectations. The main problem in defining service quality is that the services cannot be separated from the provider of the services unlike product which easily be separated from the main provider of that particular goods.

Managing quality services should be strictly adherence to the accepted norms and ethics of quality as significant to the modern concept of marketing of services of an organization. The quality of service delivery (QSD) output in customer satisfaction and their customer retention as it’s refers to the customer perception that the value of the service received is greater than the price paid for it. Some significance concepts are: Modern quality concepts which result in better performance and profitability, which is now, refer to as the major goal of business organization in the world. Managing services quality control is a strategy of changing the psychological mind of the service provider and particularly the employees who are directly involves in the real exercise of changing in attitudes of their customers.

Initially, most service organization providers have assumed that they know so much about their customers need and wants. This strategy of self-satisfied approach needs to be completely changed, and to adopt the strategy of developing a feedback system which is very necessary strategy for managing service quality improvement in any service organization. The strategies of develop a better service quality standards is a significance issue to most organization.
Firstly, Goal setting and strictly adherence to the goals and objectives are all necessary to ensure the continuous improvement in the quality of standards.

Secondly, the concept of customer retention (CR) through quality improvement. The main focus of a professional manager in any service organization have shifted away from just making sales to a customer but also to retain the existing customer.

Today professional manager pay more attention to medium and long term prospective customers, rather than just the short-term prospective customers. This has been a strategic thinking in the field of managerial style towards customer retention. If the customer remains loyal to the company products or services, then the continuous purchases represent a higher cumulative value which is quite bigger when compared to any single transaction.

Thirdly, The issue of reduced costs, it is normally costly to acquire new potential customers than to retain old existing customers. Therefore, the focus of a professional manager is with more emphasis on the strategy of customer retention than mere customer acquisition in order to minimized cost in the organization.

Finally, the customers who are already loyal to your products or services go ahead to market your services to potential customers. The concept of customer satisfaction is a situation whereby the customer feels that the value of a service received by the customer is substantially higher than the price paid for the product or acquiring that particular service. Customer satisfaction can be largely attributed to the quality of the service or product deliver to delight the customer. Therefore, delivery of high quality service is a very important to the higher esteem customer to change their perception.

**Link between service quality (SQ), customer satisfaction (CS), customer royalty (CL) and organizational performance (OP)**

Source: The researcher (2013)

From the above illustration, there is a direct link between Customer perception, service quality, customer retention, customer satisfaction, and customer loyalty and organization performance.
Quality is simply defined as the ability of the service provider to satisfy both its existing and potential customer needs and wants. International-standard parameters which are responsible in measuring the level of customer’s satisfaction in terms of their safety, comfort, and confidence on the quality of service and variety of food & drinks served during the flight.

Table 1. Reputation Quotient (RQ) of International Airlines in 2003.

<table>
<thead>
<tr>
<th>NO</th>
<th>INTERNATIONAL AIRLINES</th>
<th>RQ</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Singapore Airlines</td>
<td>80.3</td>
</tr>
<tr>
<td>2</td>
<td>Deutsche Lufthansa</td>
<td>74.7</td>
</tr>
<tr>
<td>3</td>
<td>Scandinavian Airlines System</td>
<td>74.4</td>
</tr>
<tr>
<td>4</td>
<td>KLM Royal Dutch Airlines</td>
<td>74.1</td>
</tr>
<tr>
<td>5</td>
<td>Qantas Airways Ltd</td>
<td>73.1</td>
</tr>
<tr>
<td>6</td>
<td>British Airways</td>
<td>72.5</td>
</tr>
<tr>
<td>7</td>
<td>Virgin Atlantic Airways</td>
<td>72.3</td>
</tr>
<tr>
<td>8</td>
<td>SAir Group (SwissAir)</td>
<td>72.0</td>
</tr>
<tr>
<td>9</td>
<td>Japan Airlines Company</td>
<td>69.6</td>
</tr>
<tr>
<td>10</td>
<td>Air Canada</td>
<td>68.8</td>
</tr>
<tr>
<td>11</td>
<td>All Nippon Airways Co.</td>
<td>67.6</td>
</tr>
<tr>
<td>12</td>
<td>Societe Air France</td>
<td>65.9</td>
</tr>
<tr>
<td>13</td>
<td>Alitalia</td>
<td>60.3</td>
</tr>
<tr>
<td>14</td>
<td>Iberia</td>
<td>60.3</td>
</tr>
<tr>
<td>15</td>
<td>Korean Airlines</td>
<td>54.5</td>
</tr>
</tbody>
</table>


Above is a table showing the level of customer’s satisfaction with the various international Airlines which is based on the parameter of reputation quotient on international standard that is ranking from highest to the lowest.

1.4 Summary and Conclusion

In summary the study presents a table to show the ranking of the airline industry based on reputation quotient from 80.5RQ from to the lowest which is 54.5RQ, the core characteristic of services which distinguish it’s from products was also explained such as Tangibles, Reliability, Competence, Responsiveness, Empathy.

1.5 Recommendations

From the above study I wish to recommend to the Airline industry to improve its reputation.
Quotient (RQ) in line with the international standard parameters to enhanced the level of customer satisfaction, customer royalty and customer retention in the industry by providing safety of the life and property of their customers, restore full confidence on their quality of service delivery and delight their existing customers in order to attract potential customer.

Bibliography:


MARKETING
ABSTRACT

Brand Management are very common in large company. Brand Management involves understanding all aspects of a brand and then devising a plan in order to build brand equity. However branding in Small and Medium Sized Enterprises has been relatively new subject. This is partly due to the lack of understanding of the real meaning of branding. It also caused by financial, expertise and resources constraints. Therefore, this study aims to reveal the general idea about SMEs in Malaysia and their growth potential in terms of brand commitment.

Key Words: Small and Medium Sized Enterprises (SMEs), Branding, Brand Management, Brand Equity.

1.1 INTRODUCTION

Brand and branding are not new issues in marketing. It had been discussed so many time in academic platform and also among practitioners. Brand is very important to the companies either they are large organizations or small and medium size organization. Brand is a key success in providing higher profit for firms if it is managed properly. Brand is said to be about building emotional relationship and its results from favorable perceptions, associations, and satisfaction with the brand experience at every touch points (Fauziah Sh. Ahmad & Baharun, 2010). Thus, companies used a branding as a tool or strategy to get and maintain a loyal customer base on cost effective manner in order to achieve the higher possible return on investment.

It is very important for the company to create a brand to their products. Based on The Harvard Business Review, 30,000 new products launched in the USA, 90 percent of them failed because of poor marketing. The other 10 percent went to become successful brand (Chernatony, McDonald, & Wallace, 2011). In Malaysia context, the failure rate of new ventures in the market estimates indicating that 80 to 95 percent of products fail to become sustainable brand (Fauziah Shaik Ahmad, 2009). This shows that by having a strong brand name, it lead the company to be sustainable competitive advantage in terms of superior profitability and market performance.

Brand is not just a logo, a tagline, or an advertising campaign. It's a multidimensional platform that can differentiate the firm performance compared to competitors. It represents both a rational and emotional connection to your various stakeholders and the consumer that ultimately decides to purchase and engage with you. It's important to understand and deploy the power of a fully developed brand.
Small and Medium Enterprises (SMEs) are key generators for growth and employment in the country. Based on the Census Report on SMEs 2011, total of SMEs operating in the market is 645,136 businesses, representing 97.3% of total business establishments. The results showed that 90% of the establishments were in the Services sector, 5.9% in the Manufacturing sector and 3.0% in the Construction sector. The remaining was in the Agriculture sector, 1.0% and Mining & Quarrying, 0.1%. In New Zealand, SMEs represent 86 percent of its 259,000 businesses and these firms account for approximately 27 percent of the total employment (Chong, 2012). In Japan, SMEs count for more than 98 percent of all business establishments and employ over 69 percent of the total workforce (Chong, 2012). When we compare among three countries mentioned in terms of total business establishment, Malaysia is the second high. However, for the nation’s Gross Domestic Product (GDP) growth, Malaysia is the lowest which is 32 percent (Foo, 2012). Therefore, a comprehensive plan was developed in order to foster the SMEs growth such as SME Masterplan (2012-2020).

In line with the new economic model, Malaysia aims to have SMEs contribute 41 percent in the country’s GDP by year 2020 (Foo, 2012). Therefore, SME Masterplan (2012-2020) was introduced to give more clear direction to SME through six high impact programmes. One of the programmes is to increase the market access by focusing more on marketing and branding.

A strong brand is the key intangible assets for the company. Brands combine with other tangible and intangible assets to create value. Brands are estimated to represent at least 20 percent of the intangible value of businesses for example on a major world stock markets (Chernatony et al., 2011). By having a good and strong brand, it not only helps the customer to identify the company, but also it will increase the value and at the same time will gain a range of economic benefits such as premium pricing, lower cost of sales, lower cost of promotion, high market share and lower employee turnover.

The objectives of this paper is to reveal the general idea about SMEs in Malaysia and the benefits of branding for the SMEs.

2.1 RELATED WORK

Existing literature shown that the interest in branding among SMEs is still at early stages (Fauziah Shaik Ahmad, 2009). It is due to the lack of understanding of the real meaning of branding (Bresciani & Eppler, 2010). Therefore, SMEs entrepreneurs usually give more attention to financial, production and resource management as compare to the brand management. According to Merrilees (2007), many members of the public associate brand with a large advertising expenditure where it reinforce the mindset that only big businesses can be brands, but not small businesses. However, Nordin (2009), argued that branding is relevant for the survival and growth of all companies, big or small. And, branding is even more important and highly relevant to the SMEs (Abimbola, 2001; Nordin, 2009).

The definition of SMEs is differ from country to country. However, SMEs plays the same role in the developing country as a engine of growth. According to SME Corp. Malaysia (Economic and Policy Planning Division, 2013), SMEs are divided into three categories that are manufacturing, services and other sectors. The definitions are vary based on the sales turnover and number of employee. The following table defines SMEs in each of the respective sectors based on size of operation.

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>SMALL</th>
<th>MEDIUM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>Sales turnover from RM300,000 to less than RM15 million OR</td>
<td>Sales turnover from RM15 million to not exceeding RM50</td>
</tr>
</tbody>
</table>
Services & Other Sectors

- Full-time employees from 5 to less than 75
- Sales turnover from RM300,000 to less than RM3 million
- Full-time employees from 5 to less than 30

Sales turnover from RM3 million to not exceeding RM20 million

<table>
<thead>
<tr>
<th>Million OR full-time employees from 75 to not exceeding 200</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales turnover from RM3 to not exceeding RM20</td>
</tr>
<tr>
<td>Million OR full-time employees from 30 to not exceeding 75</td>
</tr>
</tbody>
</table>

Sources: (Economic and Policy Planning Division, 2013)

There are broad definitions of the term ‘brand’. Brand may be defined differently based on the two different perspectives namely consumers’ perspective and brand owner’s perspective. Additionally, brand can also be defined based on its purpose or by its characteristics. Thus, brand is a multidimensional construct and can be covered from various aspects.

According Chernatony, McDonald, & Wallace (2011), they define brand as a cluster of functional and emotional values that enables organizations to make a promise about a unique and welcomed experience. Aaker (1991), defined a brand as “a distinguishing name and/or symbol (such as logo, trademark, or package design) intended to identify the goods or services of either one seller or a group of sellers, and to differentiate those goods or services from those of competitors”. Branding is the process of creating distinctive and durable perceptions in the minds of consumers. A brand name is any word, device (design, sound, shape, or color), or combination of these used to distinguish a seller’s good and services (A. Kerin, W. Hartley, Rudelius, & Geok Theng, 2009). According to Fauziah Sh Ahmad, Omar, Zaleha, Rasid, & Amin (2012) brand is not just a distinguishing name, logo term, sign or symbol intended to identify goods or services but rather a complex mixture of tangible and intangible attributes and associations that leads to awareness, reputation and prominence in marketplace for an intended relationship. In consistent with prominent literature, this study views brand as an added value for the companies that lead to be competitive advantage in marketplace. Competitive advantage means the company’s ability to perform in one or more ways better than competitors can do (Kotler & Keller, 2012).

A brand name is any word, device (design, sound, shape, or color), or combination of these used to distinguish a seller’s good and services (A. Kerin et al., 2009). Companies can choose to use brand name as a abstract, symbolic associations or physical associations. There are guidelines in considering criteria for effective brand names (Keller, 2003).

a. The brand name should be simple
b. The brand name should be distinctive
c. The brand name should be meaningful
d. The brand name should be compatible with the product
e. Emotion helps for certain products
f. The brand name should be legally protectable
g. Beware of creating new words
h. Extend any stored-up equity
i. Avoid extensive use of initials
j. Develop names that allow flexibility
k. Develop names that are internationally valid.

Today, brand play important roles which it improve consumers’ lives and enhance the financial values of firms. It also can differentiate companies’ product with competitors product. There are several benefits of branding:

Firstly, branding will benefit in terms of customer recognition. The brand image play an important role when a customer decide to buy one product over another. Usually well-established brands have a good reputation and can immediately recognizable to the consumer. Basically, well known brands are
likely to be purchased rather than those brands that are unknown. People often trust what they know and distrust or at least feel suspicious with unknown brands.

Secondly, loyalty and price. A powerful brand will help the company to find and get new customers. At the same time, it will also help to keep existing customers loyal. Usually, customers who are satisfied with the company’s product, believe in the product’s reputation and happy with their purchased are not simply change their choice and favor to the other new product. They will continuously buy the product even thought there is a changes in terms of price. This will lead to increase the profits and enhanced market share and build prestige for the brand.

Thirdly, introduction of new product. By having a strong brand name, it will make the process of introduction of new product less risky. For example, if a customer already purchased and satisfied with one of the company’s product in terms of good quality and value, he or she will be more likely and willing to try the new product introduced by the company.

Lastly, targeted message. In order to create a strong brands, the management should choose a clear message, keep it consistent and focus on the right audience segment. If the company fail to convey the marketing message to their target market, it caused to the unsuccessful to build a strong brand.

3.1 CONCLUSIONS

Based on the above discussion, brand building in SMEs is still in its relatively early stages. There is a lot of work that need to be done. With the government assistance in terms of financial, resources and training, hopefully it will success. SMEs entrepreneur must be prepared to invest on promoting their company’s brands. This is a precondition for going global.

Second, Malaysian SME should encouraged to adopt efficient supply chains. They must be assisted to ‘orchestrate’ their purchasing, production and distribution networks in ways that are consistent with the building of brand equity. Lastly, SMEs need to give an attention on quality assurance and audit programmes. Many products have had their image wrecked by poor standards and performance, leading to loss of the substantial investments made. Quality assurance and audit programmes is one of the mandatory requirement under National Mark of Malaysian Brands Programmes handled by SME Corp..

Branding is a vital determinant influence companies’ marketing strategy. It is not only to the large company but also small and medium company. However, building brands for a small and medium enterprises give more challenges to the entrepreneur due to limited resource, financial budgets and characteristics of SME itself. Hence, branding management on Small and Medium Enterprises offer an interesting area to study.

4.1 REFERENCES


A Review of the Literature on Brand Loyalty and Customer Loyalty

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Abstract

Brand Loyalty or Customer Loyalty? Brand Loyalty and Customer Loyalty are two concepts that have been delved into by researchers as they are two very important dimensions in marketing. Brand Loyalty is a biased behavioural response expressed over a period of time. It implies a consistent repurchase pattern of the brand as a result of positive affection towards the brand (Mellens, DeKimpe and Steenkamp, 1996). Brand loyalty theories suggested that loyalty to brands is the outcome of several factors comprising affective, behavioural and attitudinal dimensions. Customer loyalty as defined by Oliver is a deeply held commitment to re-buy or re-patronise a preferred product or service consistently in the future despite situational influences and marketing efforts having the potential to cause switching behaviour. This article discusses the difference between Brand Loyalty and Customer Loyalty and the methods used by researchers in academic research.

Brand Loyalty in marketing has been associated with a positive perception by consumers towards the brand while Customer Loyalty has been associated with the spending power of consumers induced by various loyalty programs. However research in both Brand Loyalty and Customer Loyalty uses the same multi-dimensional constructs of affective and behavioural approach.

Keywords: Brand Loyalty, Customer Loyalty

Brands

What are brands? Brands comprise the logo, the pictorial representation of the company or organisation, the signature of the company. According to the American Marketing Association a ‘brand’ is a name, term, sign, symbol or design or a combination of them intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competitors (Keller, 1998). Today a brand is also represented by a personality and a signature tune to capture the hearts of consumers and keep them loyal.

Benefits of Branding
Strong brands have a number of benefits for a company, the retailer, the consumer and for society as a whole. Strong brands help the consumer locate and identify products and evaluate their quality and makes it easier for them to develop attitudes and expectations (Pelsmacker, Geuens, and Van den Bergh, 2001). Branding also makes shopping more efficient as it tends to reduce the amount of decision-making time required and the perceived risks of purchase since a brand promises a constant level of quality (Pelsmacker et. al., 2001).

Well-known brands are capable of developing favorable attitudes and perceptions more easily, leading to increase sales. Higher perceived quality gives the consumer a good reason to purchase the product (Pelsmacker et. al., 2001). The same brand equity components may give the manufacturer an efficient base for line or brand extensions. The image and personality of the brand is easily carried over to the new products, giving it a head start. An extension set of brand helps the consumer retrieve information from memory, thus it facilitates the purchasing process and bias towards the brand (Pelsmacker et al., 2001).

In a competitive business environment, brands are not just symbols that serve as identifiers but have an economic function. The value of brands is its ability to form an exclusive, positive and prominent meaning in the minds of consumers (Kapferer, 1977). A brand can create a lasting impression on consumers and this may result in brand loyalty or attract loyal customers.

Loyalty

Loyalty is a biased response towards a brand or product expressed over a period of time and is defined by the purchase pattern of a decision making unit which may be an individual, a household or a firm (Mellens, Dekimpe and Steenkamp, 1996).

Therefore loyalty implies consistent repurchase of a brand resulting from positive affinity of consumers towards the brand or the product. Jacoby and Chestnut (1978) argued that commitment is an essential element of loyalty and distinguishes between loyalty and repeat buying which is due to inertia.

Former Ford vice president, Basil Coughlan estimates that every percentage point of loyalty is worth 100 million dollars in profits to his company (Serafin and Horton, 1994). Del Monte, Harley Davidson and General Motors spend large sums of money to induce brand loyalty (Mellens, Dekimpe and Steenkamp, 1996). Brand loyal consumers are willing to pay higher prices and are less price sensitive to price increases (Mellens et.al.).

Therefore loyalty is at the heart of a company’s success. Researchers and marketers are keen to understand the variables that determine loyalty to a company or to a product and to distinguish between brand and customer loyalty, although there is not much difference between the two concepts.

The advantages enjoyed by a brand with strong and consistent customer loyalty include the ability to maintain premium pricing, greater bargaining power with channels of distribution, reduced costs, a strong barrier to potential new entries into the product or service in the same category (Reichfeld, 1996).

Brand Loyalty
Brand loyalty is a consumer’s preference to buy a particular brand in a product category. It occurs when consumers perceive that the brand offers the right product features, images or level of quality at the right price. This perception may translate into repeat purchase resulting in loyalty. Brand Loyalty is therefore related to a customer’s preference and attachment to a brand. It may occur due to a long history of using a product and trust that has developed as a consequence of the long usage.

One of the most comprehensive and most cited conceptual definitions of brand loyalty was forwarded by Jacoby and Chestnut (1978). Jacoby et al, defines brand loyalty as “the biased, behavioural response, expressed over time, by some decision-making unit, with respect to one or more alternative brands out of a set of such brands, and is a function of psychological decision-making, evaluative processes.”

Cunningham (1956) identified three definitions of brand loyalty comprising; customers lost and gained over specific time periods; time sequences of individual purchases and share of the market (Smith). Olsen and Jacoby (1971) used factor analysis to conceptualised brand loyalty and found that brand loyalty is related to; percentage of purchase devoted to the most purchased brand, number of different brand purchased over the past two years, number of times the favourite brand was purchased out of the last five purchases, three consecutive purchases out of the last five purchases and the actual number of consecutive purchases of favourite brand out of the last five purchases (Smith). Based on the summary by Smith brand loyalty as defined by Cunningham (1956), Day (1969) Buford, Enis and Paul (1971), Olson and Jacoby (1971) behavioural loyalty is expressed in the form of ‘repeated purchase’ of the brand (Smith, 2003).

David A. Aaker defines brand loyalty as the measure of attachment that a consumer has towards a brand. Brand loyalty according to him reflects how likely a consumer will be to switched brands when that brand makes a product change either in price or product features. Aaker states that the core of a brand’s equity is based on customer loyalty. Therefore if customers buy with respect to features, price and convenience with little concern to the brand name, there is perhaps little equity (Aaker, 1991).

Aaker conceptualises brand loyalty as a pyramid with five tiers. The bottom represents the non-loyal consumers who are indifferent to the brand and who perceived any brand as being adequate whereby the brand name has little influence over buying decisions. The second level are those who are satisfied with the product or are at least not dissatisfied. The next level are the satisfied buyers with switching costs, those who do not want to risk changing product and may be termed habitual buyer. The next level are loyal buyers who considers the brand as a friend. The fifth level is the committed buyer or those who are extremely loyal to the brand. They comprise those who are proud users and will recommend the product to others (Aaker, 1991).
Aaker cited that brand loyalty is at the core of brand equity. Brand loyalty he says is tied more closely to the use experience as it cannot exist without prior purchase and use experience. However he says that loyalty is influenced by other major dimensions of brand equity, namely awareness, associations and perceived quality. However he says in many instances loyalty may be independent of other factors such as perceived quality or attribute associations as the nature of the relationship is unclear.

(Aaker, 1991)
Three of Aaker’s dimensions namely, brand associations, perceived quality and brand loyalty have been accepted and delved into by many researchers. Of the three dimensions, brand loyalty according to Aaker is at the heart of a brand’s value. It is the most important component of brand equity. The importance of brand loyalty have been accepted and acknowledged by researchers and people in marketing. Loyalty has been the subject of research delving into its relationship with variables including perceived quality and brand associations.

Most operational measures in the study of loyalty are either behavioural or attitudinal depending on relative emphasis of the research. The popularity of the measurements used has varied over time and among researchers as both categories have their own strength and weaknesses.

Based on their definition brand loyalty may be divided into two broad categories of operational definitions. The first stresses the “behavioural response, expressed over time” and refers to a series of purchases or repeat purchases.

Jacoby and Chestnut perfected the conceptual definition and developed a measure of brand loyalty into four categories.

1. Brand oriented attitudinal measures. It is measured by looking at the intention of customers who wish to buy the same product the next time.
2. Individual oriented attitudinal measures.
4. Individual oriented behavioural measures.

Sheth and Park (1974) suggested that Brand Loyalty is multi-dimensional and comprise three dimensions namely, the emotive tendency towards the brand; the evaluative tendency towards the brand and third the behavioural tendency towards the brand. They theorised that all three dimensions are present in every situation where brand loyalty prevails (Sheth and Park, 1974).
Oliver defines customer loyalty as a deeply held commitment to re-buy or re-patronise a preferred product or service consistently in the future despite situational influences and marketing efforts having the potential to cause switching behaviour.

Oliver (1999) proposed four categories of customer loyalty based on the assumption that the consumers first process information to form beliefs, use those beliefs as the basis for attitudes and then make behavioural decisions based on relative attitude strengths.

Dick and Basu define customer loyalty as the strength of the relationship between an individual’s relative attitude and repeat patronage.

Customer Loyalty is a newer concept as compared to Brand Loyalty. Among the prominent authors who have expanded research in Loyalty are Jacoby and Chestnut, Dick & Basu whose concept were being expanded by other after them.
<table>
<thead>
<tr>
<th>Author</th>
<th>Contribution</th>
<th>Year</th>
</tr>
</thead>
</table>
| Jacoby and Chestnut | 3 fold classification characterising approaches to measuring brand loyalty:  
- Behaviour  
- Psychological commitment  
- Composite indices.  | 1978 |
| Dick and Basu     | Study concentrated on the relative attitude and potential moderators of the relative attitude to repeat patronage based on social norms and situational factors.  
Relative attitude is the degree to which the consumer’s evaluation of one alternative brand dominates over another  
True loyalty only exists when repeat patronage co-exists with high relative attitude  
Classification including spurious, latent and sustainable categories of loyalty.  | 1994 |
| Christopher et. al. | The loyalty ladder.  
Examine the progress up or along the rungs from prospects, customers, clients, supporters and advocates.  
Progression requires increased discussion between exchange parties, commitment and trust which develops within a consumer’s attitude based on their experiences including dialogue.  | 1993 |
| Baldinger and Ruben | A composite approach.  
Investigated the predictive ability of behavioural and attitudinal data towards customer loyalty across five sectors.  | 1996 |
| Hallowel          | Examined the links between profitability, customer satisfaction and customer loyalty.  | 1996 |
| Reichheld and Teal | Loyalty coefficient to help compare consumer loyalty.  
They found that some customers would switch over to another product for just a 2 percent discount while some will only switch at 40 percent discount.  
Some do not switch even for larger discounts.  | 1996 |
| O’Malley          | Effectiveness of loyalty programs.  | 1998 |
Raju Developed scale to measure loyalty within the Exploratory Tendencies in Consumer Behaviour Scales (ETCBS). 1980

Beatty el al. Developed scale to commitment based on the assumption that commitment is similar to loyalty. This scale included items which reflected ego involvement, purchase and brand commitment. 1988

Pritchard et al. Conceptualised customer loyalty in a commitment-loyalty measure, termed Psychological Commitment Instrument (PCI) 1999

Gremler and Brown Extended the concept of customer loyalty to intangible goods with their definition of service loyalty. They recommended a 12-item measure with a seven point scale described at either end strongly agree to strongly disagree. 1999

Oliver Greater emphasis on the notion of situational influences Developed four-phase model of customer loyalty development building on previous studies but uniquely adding the fourth action phase. 1999

Jones et al. Explored a further aspect of customer loyalty identified as ‘cognitive loyalty’ which is seen as a higher order dimension involving the consumer’s conscious decision-making process in the evaluation of alternative brands before a purchase is affected. One aspect of cognitive loyalty is switching/re-purchase intentions which moved the discussions beyond satisfaction towards behavioural analysis for segmentation and prediction purposes. 2000

Knox and Walker Developed measure of customer loyalty Empirical study of grocery store Found that brand commitment and brand support were necessary and sufficient conditions for customer loyalty to exist. Produced a classification-loyal, habitual, variety seeking and switchers Provides guidance for mature rather than new or emerging brands. 2001

Concepts in Loyalty Research

Although Brand Loyalty and Customer Loyalty are two different concepts research in both areas share the same dimensions.

Brand Loyalty and Customer Loyalty in past literature have been conceptualised by two main typologies, the behavioural and the attitudinal typologies. The behavioural typology to the approach of customer loyalty is primarily concerned with measures of repeat purchase, proportion of purchase and frequency of purchase. The popularity of the measures has varied over time and among
researchers as both categories have their strengths and weaknesses (Mellens, Dekimpe and Steenkamp, 1996). Behavioural measures define brand loyalty in terms of the actual purchases observed over a certain time period (Mellens et. al., 1996). The advantages of behavioural measures are:

1. It is based on actual purchases which are directly related to performance.
2. Unlikely to be incidental as it is usually based on behaviour over a period of time.
3. Relatively easier to collect than attitudinal data.

Limitations to behavioural measures is, they do not make any distinction between brand loyalty and repeat purchase and thus may include spurious loyalty (Mellens et al., 1996).

<table>
<thead>
<tr>
<th>Behavioural Measures</th>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1. Based on actual behaviour</td>
<td>1. Repeat buying is not distinguishable from brand loyalty.</td>
</tr>
<tr>
<td></td>
<td>3. Easy to collect data</td>
<td>3. Difficult to pick right decision unit.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Attitudinal Measures</th>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1. Repeat buying separated from brand loyalty.</td>
<td>1. Valid representation of reality not guaranteed.</td>
</tr>
<tr>
<td></td>
<td>2. Less sensitive to short-run fluctuations.</td>
<td>2. Incidental.</td>
</tr>
<tr>
<td></td>
<td>3. Easier to pick right decision unit.</td>
<td>3. Harder to collect.</td>
</tr>
</tbody>
</table>

(Rundle-Thiele, 2006)

There are many studies delving into brand loyalty or customer loyalty measured using the behavioural approach which attaches loyalty to repeat purchase. Bayus (1992) in a study of brand switching of home appliances and Fader and Schmittlein (1993) in his investigation into the advantage of high share brands in brand loyalty measured brand loyalty only by the behavioural aspect of brand loyalty (Choong 2010).
Day (1969) however found weak evidence that repeat patronage measured share category purchased associated with customer characteristics and suggested that this was because many behaviourally loyal customers were influenced by opportunity and routine rather than by preference (East, Gendall, Hammond and Lomax, 2005).

Some researchers however believe that behavioural measures may not be enough to understand true loyalty. To compensate for the incompleteness of the behavioural measure, Jacoby and Chestnut introduces the 3 fold classification characterising approaches to measuring brand loyalty comprising the behaviour, psychological commitment and composite indices. Advance in the study of loyalty was further made by Fishbein and Ajzen who combine the behavioural and attitudinal measures in the study of loyalty. The attitudinal approach to loyalty was developed by researchers who wanted a more comprehensive methodology of measuring loyalty. Attitudinal loyalty includes measures of commitment and trust and has been seen as a more comprehensive conceptualisation of loyalty.

Oliver argued that the value to the firm of loyalty increases as the basis moves from attribute beliefs, to attitudes, to behavioural intentions, and, in the fourth category to a behaviour pattern that is strong enough to resist most obstacles.

Oliver calls “ultimate loyalty” as being driven by behavioural intentions based on extremely strong attitudinal preference.

Oliver 4 phases of loyalty – cognitive which is based on brand belief, liking or attitude towards the brand, conative loyalty or a commitment to repurchase, action loyalty a transformation into readiness to act.

Colombo and Morrison (1989) developed the preference-behaviour loyalty construct which is based on a simple change in a brand switching model. The Colombo and Morrison model was derived from a classification of consumers as either hard core loyal or potential switchers. Thus, after any given purchase, a consumer will either be sufficiently satisfied that he will consider no other brands and automatically repurchase the last brand purchased, or he will consider alternatives and have some probability of buying each. The simplifying assumption of the model is that hard core loyals do not switch; potential switchers may or may not switch.

These categories generalize loosely to consumers who are very brand loyal and unlikely to switch at a given point and those who are not brand loyal and, therefore, are likely to switch from one brand to another.

An assumption of the model is that every consumer has a preferred brand. Nonetheless, despite the fact that consumers have a preferred brand, some preferences are stronger than others. Thus weak preferences characterize potential switchers. Potential switchers may be variety seekers or they may be responding to sales promotions or other situational factors. Thus each brand has the ability to attract customers who are using other brands based on situational factors.

In 1969 Day proposed that loyalty should be viewed as a composite concept. According to this view loyalty should comprise both the attitudinal and behavioural components (Rundle-Thiele, 2006).

In 1975 Martin Fishbein and Icek Ajzen developed the theory of reasoned action which is still popular among researchers in marketing. The theory proposed that behaviour comprise the attitudinal, normative and conative component. The TRA is much used by researchers today.

Fishbein and Ajzen developed their theory of reasoned action based on the belief that attitude towards buying and subjective norm are the antecedents of performed behaviour that influences the purchase behaviour.
Attitudinal loyalty according to Fishbein and Ajzen develops in a person’s life as a result of life’s experiences about various objects, actions and events. Through life’s experiences beliefs develop as a result of observation or inferences. Some beliefs may persist over time while others may be forgotten (Fishbein and Ajzen, 1975).

The next step in loyalty research was made in 1994 when Dick and Basu proposed a conceptual framework to distinguish between various types of loyalty and to identify the driver of loyalty (Rundle-Thiele, 2006).

Based on previous studies Dick and Basu proposed the attitudinal loyalty concept where attitude includes the behavioural and attitudinal typologies. Their loyalty construct distinguishes loyalty into true loyals or just merely variety seekers.

Dick and Basu Loyalty Typology, 1994

<table>
<thead>
<tr>
<th>Relative</th>
<th>True loyalty</th>
<th>Latent Loyalty</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>Spurious loyalty</td>
<td>No loyalty</td>
</tr>
</tbody>
</table>
Conclusion

As the market becomes more competitive with products and services which are substitutes, the study of Brand Loyalty and Customer Loyalty will become more crucial. Producers need to understand consumer behaviour in order to compete with rivals. Consumers may be irrational people who make decisions not based on rational reasons. There will always be a gap in understanding how a decision making unit makes a choice in a market that offers a lot of choices.

References


Fishbein M. and Ajzen I., (1975), Belief, Attitude, Intention And Behaviour, Addison-Wesley, Philippines.


ABSTRAK

Pengurusan reputasi jenama universiti amat penting bagi menarik lebih ramai pelajar dan tenaga pengajar yang cemerlang untuk memasuki sesebuah universiti. Di samping itu, tahap persaingan yang sengit telah memaksa universiti berusaha meningkatkan reputasi universiti masing-masing dengan pelbagai strategi. Namun, walaupun pelbagai model pengurusan reputasi jenama diketengahkan namun masih terdapat jurang yang perlu diisi. Sebagai tambahan kepada model sedia ada, maka pengalaman jenama pengguna telah ditambah bagi melihat hubungannya dengan pengurusan reputasi jenama. Hasil daripada kajian terhadap 380 orang pelajar daripada dua (2) buah universiti di Utara Semenanjung Malaysia mendapati terdapat hubungan signifikan antara pengalaman jenama pengguna dan pengurusan reputasi jenama. Hasil kajian ini juga telah membuka mata pihak universiti agar tidak hanya menekankan kepada aspek pengajaran semata-mata sebaliknya pengalaman pelajar dalam aspek lain tidak harus diabaikan.

KATAKUNCI: Pengurusan jenama, pengalaman jenama pengguna, penjenamaan universiti, reputasi jenama

1.0 Pengenalan


Sehubungan dengan itu, satu kajian mengenai pengurusan reputasi jenama perlu dilaksanakan bagi mengisi jurang ilmu ini. Kajian ini bertujuan untuk melihat penaruh pengalaman jenama pelanggan terhadap pengurusan jenama universiti. Hasil daripada kajian ini diharapkan dapat menyumbang kepada penemuan dan perancangan ilmu yang baru yang baik mengisi jurang ilmu yang ada. Di samping itu, hasil kajian ini juga diharapkan dapat membantu universiti memposisikan kedudukannya di persada dunia akademik dan seterusnya membantu Kementerian Pelajaran merealisasikan hasrat menjadikan Malaysia sebagai hab pendidikan dunia.

2.0 Pernyataan Masalah


Walaupun terdapat banyak kajian yang dilakukan dalam bidang pengurusan reputasi jenama namun kebanyakkan kajian tersebut lebih berbentuk konsepual Shahaida, Rajashekar dan Nargundkar (2009) dan kajian emperikal adalah terhad (Money, Rose dan Hillenbrand, 2010; Waeraas dan Solbakk, 2009; Sung dan Yung, 2008; Balmer dan Liao, 2007). Berdasarkan kepada pernyataan masalah yang dibincangkan di atas dan dengan mengambil kira jurang ilmu yang terdapat dalam bidang ini maka penyelidik merasakan bahawa satu kajian emperikal harus dijalankan bagi melihat hubungan antara dimensi pegalaman jenama pengguna dan reputasi jenama. Hasil kajian ini kelak diharapkan dapat menjawab setiap persoalan kajian yang telah dikenal pasti dan seterusnya memberi sumbangan dengan menawarkan ilmu baru dan merapatkan jurang ilmu dalam bidang yang dikaji

3.0 Kajian Literatur

3.1 Penjenamaan universiti


Namun begitu, Waeraas dan Solbak (2009) berpandangan bahawa kebanyakan penulis sebelum ini agak optimistic kerana melihat jenama sebagai satu instrumen yang dapat meningkatkan persaingan dan reputasi sedangkan terdapat sesetengah pihak yang menyatakan jenama hanyalah mitos atau simbol di mana universiti cuba menyesuaikan dengan persekitaran semasa. Menurut Chapleo (2005), hanya segelintir universiti di UK yang berjaya membangunkan jenamanya seperti organisasi komersial. Ini mengikut berikut dengan penemuan ahli sosiologi (Castells, 2001) yang menyatakan universiti perlu memenuhi lima (5) fungsi utamanya iaitu memilih elit yang dominan; menyediakan individu dengan latihan akademik; memperolehi pengetahuan baru melalui penyelidikan; menghubungkan pengetahuan dengan praktik melalui aktiviti keusahawanan dan bertindak sebagai sebahagian sistem ideologi dalam masyarakat.

3.2 Pengurusan reputasi jenama


Menurut Veloutsu dan Moutinho (2009), pengurusan reputasi jenama adalah berterusan yang mana pembangunan reputasi jenama bermaksud lebih daripada mengekalkan pengguna yang berpuas hati sebaliknya ia adalah sesuatu yang diperolehi oleh organisasi dalam tempoh masa tertentu dan merujuk kepada bagaimana pelbagai audien menilai jenama. Proses ini bermula daripada titik di mana pengguna tidak mempunyai perasaan yang menentu bahawa sesuatu jenama itu dikenali dalam pasaran kepada apabila ia menjadi nombor satu dalam kelasnya (Aaker, 1991).


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3.3 Pengalaman jenama pengguna


Di dalam konteks universiti pula, pengukuran pengalaman pelajar adalah lebih daripada sekadar mengukur pencapaian akademik dan penamaan pengajian (Johnson et al. 2001). Faktor lain yang seharusnya diambil kira adalah cirri-ciri program, keberkesanan program, kepuasan pelajar dan keputusan pelajar (Brooks, 2005). Pengalaman jenama juga merupakan komponen di mana pengguna terikat dengan jenama. Melalui ikatan ini, pengguna membentuk persepsi terhadap pengalaman jenama dan mentafsir identiti jenama bagi membentuk satu imej. Di samping itu, pengalaman jenama ini juga boleh member kesan terhadap hubungan pengguna dengan jenama (Jung, Lee dan Soo, 20012).


4.0 Kerangka Konsepsual

Gambarajah 1: Kerangka Konsepsual

5.0 Metodologi

5.1 Responden


5.2 Pengukuran


Soal selidik telah dibahagikan kepada bahagian A dan B. Bahagian A lebih menumpukan kepada soalan yang mengenai pengalaman jenama pengguna, budaya jenama, ekspresi jenama dan reputasi jenama. Manakala, bahagian B pula memerlukan responden untuk memberikan maklumat demografi seperti jantina, umur, bangsa, kewarganegaraan, program yang diambil dan universiti tempat di mana responden sedang belajar sekarang. Data yang telah diperolehi dianalisa menggunakan analisa deskriptif dan juga regrasi berganda.
6.0 Hasil Kajian

6.1 Profail demografi responden

Berdasarkan kepada 400 soal-selidik yang telah dihantar, sebanyak 380 soal-selidik telah dikembalikan. Daripada jumlah tersebut, sebanyak 206 soal-selidik atau 54.2% datangnya daripada UNIMAP manakala sebanyak 45.8% daripada UUM. Kebanyakan responden yang terlibat dalam kajian ini merupakan pelajar daripada Malaysia yang menyumbang sebanyak 353 orang (92.9%) dan sebanyak 7 orang (2.9%) daripada luar negara (7.1%).

Di samping itu, 51.6% adalah lelaki manakala 48.4% adalah perempuan. Kebanyakan daripada responden berbangsa Melayu (65.5%), Cina (24.5%), India (6.3%) dan lain-lain (3.7%). Selain daripada itu, didapati bahawa kebanyakan pelajar yang terlibat dengan kajian ini datangnya daripada program yang tidak disenaraikan (39.2%). Pelajar daripada program kejuruteraan dan pengurusan perniagaan masing-masing merekodkan penglibatan sebanyak 22.1% dan 16.3%. Didapati bahawa kebanyakan pelajar yang terlibat dengan kajian ini datangnya daripada program yang tidak disenaraikan (39.2%). Pelajar daripada program kejuruteraan dan pengurusan perniagaan masing-masing merekodkan penglibatan sebanyak 22.1% dan 16.3%

6.2 Taburan Min untuk Angkubah Tak Bersandar

Hasil kajian yang ditunjukkan dalam jadual min di bawah jelas menunjukkan sejauh mana faktor pengalaman jenama pengguna mempengaruhi reputasi jenama. Ini berdasarkan kepada garispanduan yang diberikan Norasmah (2002) di mana min terletak di antara 1 sehingga 5. 2.01-3.00 bermaksud moderately low; 3.01-4.00 bermaksud moderately high dan terkahir sekali di antara 4.01-5.00 bermaksud tinggi.

| Pengaruh Pengalaman Jenama, Budaya Jenama dan Ekspresi Jenama Terhadap Reputasi Jenama |
|----------------------------------------|------------------|------------------|------------------|
|                                        | N    | Mean  | Std Deviation | Level |
| Pengalaman Jenama                      | 380  | 4.2454| 0.8116        | High  |
| Budaya Jenama                          | 380  | 4.477 | 0.8734        | High  |
| Ekspresi Jenama                        | 380  | 4.3490| 0.8291        | High  |

Berdasarkan daripada jadual 1 di atas adalah jelas bahawa min bagi ketiga-tiga pemboleh tidak bersandar menunjukkan bacaan yang tinggi dari aspek pengaruh setiap angkubah terhadap reputasi jenama. Malahan untuk pengalaman jenama pengguna (4.2454) juga berada 4.01-5.00 yang...
bermaksud tinggi. Ini bermakna pengalaman jenama pelajar UUM dan UNIMAP mempengaruhi reputasi jenama universiti yang berkenaan.

6.3 Analisa Regresi Berganda

Dalam kajian ini, analisa regresi berganda digunakan bagi membantu memahami sejauh mana varian dalam pembolehubah bersandar diterangkan oleh satu set pemboleh ubah tidak bersandar. Dapatan kajian sepertimana ditunjukkan dalam jadual 2 di bawah menunjukkan 73.6% varian dalam reputasi jenama telah diterangkan secara signifikan oleh setiga-tiga faktor. Nilai $\beta=.754$, $p<0.000$ bagi pengalaman jenama pengguna dianggap sebagai tinggi memandangkan nilainya melebihi 0.5 daripada penentu koefisien dan menghampiri 1.

<table>
<thead>
<tr>
<th>Pengalaman Jenama</th>
<th>.754</th>
<th>0.000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budaya Jenama</td>
<td>.859</td>
<td>0.000</td>
</tr>
<tr>
<td>Ekspresi Jenama</td>
<td>.749</td>
<td>0.000</td>
</tr>
</tbody>
</table>

* *p<0.00; r²=0.736; F value=10.31; Sig F=0.000; N=380

7.0 Perbincangan


7.1 Limitasi dan cadangan untuk kajian pada masa hadapan

Kajian ini secara umumnya hanya menjurus kepada dua buah universiti awam di Utara Semenanjung Malaysia dan seharusnya diperluaskan kepada universiti swasta dan melibatkan kawasan geografi yang berbeza. Kajian ini juga seharusnya mempertimbangkan untuk melibatkan stakeholders yang
lain dalam kajian ini di samping memasukkan item-item tambahan yang lain bagi memahami faktor yang mempengaruhi reputasi jenama dengan lebih tepat.

8.0 Kesimpulan

Kesimpulannya, persoalan bagi kajian ini telah dijawab dan objektif kajian ini telah dicapai. Secara umumnya, kajian ini telah menunjukkan bagaimana aspek pengalaman pelajar memain peranan penting dalam mengurus jenama sebuah universiti. Ini bermakna semua pihak harus terlibat dalam memberi pengalaman yang menyeronokkan dan menggembirakan kepada pelajar university dan tugas ini tidak hanya diletakkan di bahu pensyarah sahaja. Ianya memerlukan penglibatan semua pihak termasuk para pegawai tadbir dan staf sokongan bagi membentuk satu model pengurusan jenama universiti yang holistic.

RUJUKAN


Kesan Langsung Prinsip Transformasi Perkhidmatan Ke Atas Kualiti Perkhidmatan Di Sektor Awam

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Prof. Dr. Juhary Ali

ABSTRACT

The purpose of this study is to investigate the relationship between service transformational principle (creativity and innovation, decision-making, value for money and intergrity) and the service quality of the Ministry of Health Malaysia (MOH). A total of 700 questionnaires were distributed, only 339 questionnaires collected and can be used for analysis. Data collected was analysed using Descriptive Analysis, Pearson Correlation Analysis and Regression Analysis. The findings of this study indicated that there was a significant relationship between creativity and innovation, decision-making, value for-money and integrity and the service quality of MOH.

Kata Kunci: kualiti perkhidmatan, prinsip transformasi perkhidmatan, kreativiti dan inovasi, kepantasan membuat keputusan, penyampaian berteraskan nilai untuk wang, integriti
PENGENALAN


Kesimpulannya kebanyakan kajian terdahulu berhubung kualiti perkhidmatan cenderung memberi fokus kepada kepuasan pelanggan terhadap kualiti perkhidmatan yang disediakan oleh perkhidmatan sektor swasta dan sektor awam. Oleh itu, kajian ini menempukan kepada pengaruh prinsip transformasi perkhidmatan (iaitu kreativiti dan inovasi, keputusan membuat keputusan,
penyampaian berteraskan nilai untuk wang serta integriti) ke atas kualiti perkhidmatan yang diberikan. Bagi menjawab persoalan kajian ini, objektif kajian adalah untuk mengkaji hubungan antara prinsip tranformasi perkhidmatan (kreativiti dan inovasi, kepantasan membuat keputusan, penyampaian berteraskan nilai untuk wang serta integriti) dan kualiti perkhidmatan di sektor awam.

**SOROTAN SUSASTERA**

**KUALITI PERKHIDMATAN**


(i) Jelas: Merujuk kepada keadaan aset fizikal bangunan;
(ii) Kebolehpercayaan: Kebolehan untuk memberikan perkhidmatan yang dijanjikan dengan berhemah dan tepat;
(iii) Bertanggungjawab: Keinginan untuk menolong pihak berkepentingan dan menyediakan perkhidmatan yang memuaskan;
(iv) Jaminan: Pengetahuan dan perhatian pihak pemberi perkhidmatan dan kebolehan mereka untuk memberikan kepercayaan dan keyakinan kepada pihak berkepentingan; dan
(v) Prihatin: Menjaga dan memberi perhatian sepenuhnya kepada setiap individu yang merupakan pihak berkepentingan.
Oleh yang demikian, tanggapan pelanggan dalam kualiti perkhidmatan adalah keputusan perbandingan antara harapan terhadap perkhidmatan dengan persepsi terhadap perkhidmatan yang diterima. Kualiti perkhidmatan dalam kajian ini meliputi kebolehnyataan, kebolehpercayaan, kepekaan, keyakinan dan keehsanan pegawai dan kakitangan IPKKM dalam memberi perkhidmatan kepada pelanggan.

**KREATIVITI DAN INOVASI**

Kreativiti pada asasnya merujuk kepada gaya pemikiran individu. Manakala inovasi pula merujuk kepada pelaksanaan idea-idea kreatif yang lebih sempurna dalam sesebuah organisasi (Amabile, 1988). Kreativiti dan inovasi yang digunakan dalam kajian ini adalah gaya pemikiran pegawai dan kakitangan IPKKM melaksanakan idea-idea dalam usaha mempertingkatkan sistem penyampaian perkhidmatan sektor awam yang lebih berinovatif. Walaupun kajian kreativiti bermula di peringkat awal psikologi, penggunaan teori psikologi di tempat kerja untuk memahami dan menjelaskan maksud kreativiti dan inovasi merupakan kaedah yang terkini (Shalley & Zhou, 2008).


**KEPANTASAN MEMBUAT KEPUTUSAN**


Pembuatan keputusan merupakan komponen penting dalam keberkesanan dan kejayaan sesebuah organisasi. Menurut Robiah Sidin (1988) pembuatan keputusan adalah proses berfikir dan membuat

NILAI UNTUK WANG


Grimsey dan Lewis (2005) yang dipetik dari (Sarmentó, 2010) mendefinisikan nilai untuk wang sebagai pilihan yang diukur dari faedah kewangan relatif dan adalah harga terbaik untuk kuantiti dan standard yang diberikan. Sehubungan ini, bagi mendapatkan pilihan yang terbaik dan mempunyai nilai untuk wang, Laporan Sesi 2005-06 ke-17 (House of Commons Committee of Public Accounts, 2005) telah mengenalpasti tujuh langkah yang diperlukan oleh kerajaan dalam meningkatkan penyampaian perkhidmatan awam berteraskan nilai untuk wang seperti berikut:

(i) membuat perancangan teliti;
(ii) mengukuhkan pengurusan projek organisasi;
(iii) mengurangkan kompleksiti dan birokrasi;
(iv) membuat penambahbaikan terhadap produktiviti penyampaian perkhidmatan;
(v) menjadi organisasi komersil yang lebih bijak;
(vi) menangani masalah penipuan;
(vii) pelaksanaan dasar dan program yang lebih baik dan menepati tempoh yang diberikan.
Oleh yang demikian, maksud nilai untuk wang dalam kajian ini meliputi elemen penilaian oleh pihak Kerajaan dari segi proses, kuantiti dan kualiti sesuatu barang dan perkhidmatan yang disediakan.

**INTEGRITI**


**PEMBENTUKAN KONSEP KAJIAN**

Berdasarkan kajian-kajian lepas, pembolehubah bersandar bagi kajian ini adalah kualiti perkhidmatan. Manakala pembolehubah tidak bersandar adalah kreativiti dan inovasi, kepantasan membuat keputusan, penyampaian berteraskan nilai untuk wang, dan integriti (prinsip transformasi perkhidmatan) seperti di Rajah 1.

| Pembolehubah Tidak Bersandar (IV) | Pembolehubah Bersandar (DV) |
METODOLOGI


DAPATAN ANALISIS

PROFIL RESPONDEN
Hasil kajian mendapati seramai 114 orang (33.6%) adalah responden lelaki manakala bilangan responden wanita adalah seramai 225 orang (66.4%). Taburan umur responden menunjukkan seramai 158 orang responden (46.6%) berumur antara 31 hingga 49 tahun. Manakala responden yang berumur 21 hingga 30 tahun seramai 149 orang (44.0%). Responden berumur 50 tahun ke atas adalah seramai 29 orang (8.6%). Manakala 0.9% (3 orang responden) adalah terdiri daripada kumpulan umur kurang dari 20 tahun. Untuk maklumat kumpulan jawatan responden pula, responden dari kumpulan jawatan Sokongan adalah tertinggi iaitu seramai 241 orang atau 71.1% daripada jumlah keseluruhan responden. Selebihnya pula, sebanyak 28.9% (98 orang responden) terdiri dari kumpulan jawatan Pengurusan dan Profesional. Bagi kategori tempoh perkhidmatan pula, didapati 54.6% atau 185 orang responden berkhidmat di antara 3 hingga 10 tahun di IPKKM. Seterusnya diikuti seramai 62 orang (18.3%) berkhidmat di antara 11 hingga 20 tahun. Manakala 15.0% (51 orang responden) pula telah berkhidmat kurang dari 3 tahun. Bagi tempoh perkhidmatan 20 tahun ke atas mencatatkan jumlah responden paling minimum iaitu sebanyak 12.1% (41 orang responden).

ANALISIS KORELASI

Ujian korelasi Pearson digunakan untuk mengenalpasti hubungan antara setiap pembolehubah tidak bersandar dan pembolehubah bersandar. Interpretasi nilai pekali korelasi Pearson dari -1.00 ke +1.00 menunjukkan kekuatan atau kelemahan susuatu hubungan di antara pembolehubah tidak bersandar dan bersandar. Manakala nilai kosong pula mewakili tiada hubungan mutlak (Bryman & Bell, 2007). Keputusan analisis kebolehpercayaan, min, sisihan piawai dan analisis korelasi Pearson ditunjukkan dalam Jadual 1. Selain itu, kesemua pembolehubah turut menunjukkan nilai kebolehpercayaan melebihi 0.60 (rujuk Jadual 1). Hasil kajian menunjukkan kesemua pembolehubah tidak bersandar (kreativiti dan inovasi, kepantasan membuat keputusan, nilai untuk wang serta integriti) mempunyai hubungan signifikan dan positif dengan pembolehubah bersandar (kualiti perkhidmatan).

Jadual 1:

Keputusan Ujian Kebolehpercayaan, Min, Sisihan Piawai, dan Korelasi Bagi Pembolehubah Kajian

<table>
<thead>
<tr>
<th></th>
<th>α</th>
<th>M</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Kreativiti &amp; Inovasi</td>
<td>.8</td>
<td>3.02</td>
<td>.40</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Kepantasan Membuat Keputusan</td>
<td>.6</td>
<td>2.86</td>
<td>.30</td>
<td>.48**</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Nilai Untuk Wang</td>
<td>.8</td>
<td>3.03</td>
<td>.34</td>
<td>.47**</td>
<td>.46**</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Integriti</td>
<td>.8</td>
<td>3.02</td>
<td>.33</td>
<td>.52**</td>
<td>.49**</td>
<td>.63**</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>5. Kualiti Perkhidmatan</td>
<td>.9</td>
<td>3.04</td>
<td>.52**</td>
<td>.50**</td>
<td>.61**</td>
<td>.76**</td>
<td>.52**</td>
<td>-</td>
</tr>
</tbody>
</table>

Nota: n = 339; **p < .01
ANALISIS REGRESI

Analisis ujian regresi digunakan untuk mengkaji hubungan pembolehubah tidak bersandar menjangka nilai pembolehubah bersandar serta menilai darjah untuk pembolehubah tidak bersandar terhadap varians pembolehubah bersandar (Frempong & Düvel, 2009). Koefisien penentuan ($R^2$) digunakan bagi menunjukkan anggaran peratusan variasi yang dapat menunjukkan varians pembolehubah bersandar (Hair, Black, Babin & Anderson, 2010). Keputusan SPSS bagi kajian ini adalah seperti di Jadual 2.

Jadual 2

<table>
<thead>
<tr>
<th>Analisis Regresi Antara Pembolehubah Tidak Bersandar dan Bersandar</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pembolehubah Tidak Bersandar</td>
</tr>
<tr>
<td>Kualiti Perkhidmatan</td>
</tr>
<tr>
<td>Kreativiti dan inovasi</td>
</tr>
<tr>
<td>Kepantasan Membuat Keputusan</td>
</tr>
<tr>
<td>Nilai Untuk Wang</td>
</tr>
<tr>
<td>Integriti</td>
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<tr>
<td>F value</td>
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<tr>
<td>R</td>
</tr>
<tr>
<td>$R^2$</td>
</tr>
<tr>
<td>Adjusted $R^2$</td>
</tr>
</tbody>
</table>

Nota: **p < 0.01

Keputusan analisis regresi menunjukkan (n=339) pembolehubah tidak bersandar integriti mempunyai nilai Beta 0.577 berbanding kreativiti dan inovasi, kepantasan membuat keputusan dan penyampaian berteraskan nilai untuk wang masing-masing mempunyai nilai Beta 0.101, 0.119 dan 0.169 terhadap kualiti perkhidmatan. Hasil kajian juga mendapat bahawa kesemua pembolehubah tidak bersandar mempunyai hubungan signifikan dengan kualiti perkhidmatan (pembolehubah kriterion/bersandar). Hubungan ini, Hipotesis 1, Hipotesis 2, Hipotesis 3 dan Hipotesis 4 disokong serta mendapati kualiti perkhidmatan IPKKM dipengaruhi oleh empat prinsip transformasi perkhidmatan (kreativiti dan inovasi, kepantasan membuat keputusan, penyampaian berteraskan nilai untuk wang dan integriti). Secara keseluruhan kesemua pembolehubah tidak bersandar menyumbang sebanyak 63% ($R^2=0.793$) perubahan varians dalam kualiti perkhidmatan. Kajian juga mendapati bahawa secara signifikan, integriti merupakan penyumbang utama yang mempengaruhi kualiti perkhidmatan IPKKM. Oleh yang demikian, apabila berlaku peningkatan dalam kualiti perkhidmatan, ianya dipengaruhi oleh sebanyak 58% (Beta=0.577) integriti pegawai dan kakitangan IPKKM dalam melaksanakan tugas masing-masing.

PERBINCANGAN
Kajian ini bertujuan untuk mengkaji hubungan antara prinsip transformasi perkhidmatan (kreativiti dan inovasi, kepantasan membuat keputusan, penyampaian berteraskan nilai untuk wang dan integriti) dan kualiti perkhidmatan IPKKM. Hasil kajian menunjukkan kreativiti dan inovasi, kepantasan membuat keputusan, penyampaian berteraskan nilai untuk wang dan integriti mempunyai hubungan yang signifikan dan positif dengan kualiti perkhidmatan.


Selain itu, pegawai dan kakitangan IPKKM menggunakan peluang yang diberi oleh pihak pengurusan IPKKM dalam menghasilkan idea-idea dan inovasi untuk membuat penambahan baik terhadap perkhidmatan yang disediakan. Ini dapat ditunjukkan melalui dapatan kajian di mana kesemua responden berpendapat kreativiti dan inovasi merupakan salah satu faktor yang menentukan kualiti perkhidmatan di IPKKM. Berdasarkan dapatan kajian, pegawai dan kakitangan wanita didapati lebih kreatif dan berinovasi dalam mencari idea untuk menambah kualiti perkhidmatan sedia ada. Selain itu, kedua-dua kumpulan jawatan iaitu kumpulan Pengurusan dan Profesional serta Sokongan bersetuju bahawa kreativiti dan inovasi dapat meningkatkan kualiti perkhidmatan IPKKM. Kesimpulannya, melalui kreativiti dan inovasi menunjukkan pihak pengurusan IPKKM memberi peluang kepada pegawai dan kakitangannya untuk mencari idea baru dan melaksanakan inovasi dalam melaksanakan tugas masing-masing supaya perkhidmatan yang diberi adalah berkualiti. Sambutan Hari Inovasi dan ganjuran yang diberi kepada jabatan dan bahagian yang berjaya melaksanakan inovasi yang kreatif dalam perkhidmatan meningkatkan kualiti penyampaian perkhidmatan IPKKM. Di samping itu dengan adanya Unit Inovasi di IPKKM yang bertanggungjawab menyelaraskan dan melaksanakan dasar Kementerian Kesihatan mampu meningkatkan imej Kementerian dan kualiti perkhidmatan yang diberikan.


Namun, berdasarkan analisis kajian deskriptif bagi kepantasan membuat keputusan dengan jantina, didapati pegawai dan kakitangan IPKKM kedua-dua kaum mempunyai batasan dalam membuat keputusan. Oleh yang demikian, dapatan kajian ini tidak dapat menyokong kajian Glover et. al. (2002) yang menjelaskan bahawa perbezaan jantina mempunyai hubungan yang signifikan dalam membuat keputusan yang beretika. Keterbatasan dalam membuat keputusan oleh kedua-dua kaum ini menunjukkan bahawa birokrasi dalam pelaksanaan sesuatu tindakan oleh pihak IPKKM masih wujud di mana perlu mendapatkan keputusan daripada pelbagai peringkat terlebih dahulu sebelum sesuatu tindakan diambil. Namun, beberapa keputusan yang memerlukan tindakan segera berjaya...
dilaksanakan oleh pegawai dan kakitangan IPKKM agar dapat mengekalkan kualiti penyampaian perkhidmatan Kementerian berkenaan. Kesimpulannya walaupun pembuatan keputusan di IPKKM bukan faktor utama yang menentukan kualiti perkhidmatan yang diberikan, tetapi pegawai dan kakitangan IPKKM berjaya membuat keputusan di bawah bidang kuasa yang telah ditetapkan bagi memastikan kehendak pelanggan dipenuhi terutama dari segi keputusan yang tidak melibatkan dasar-dasar utama Kerajaan. Hasil kajian ini juga mendapati terdapat hubungan yang signifikan dan positif antara penyampaian berteraskan nilai untuk wang dan kualiti perkhidmatan dan menyokong kajian oleh Nor Azlina (2009), kerana melalui pengurusan belanjawan yang cekap dan efisien objektif sesuatu organisasi dapat dicapai dan perkhidmatan berkualiti dapat diperoleh. Hasil kajian ini juga menyokong penjelasan Sabitha, Rusniah dan Siti Alida (1994) bahawa belanjawan disediakan untuk memenuhi tiga tujuan utama iaitu sebagai melaksanakan dasar Kerajaan, kaedah pengawalan belanjawan yang sah dan sumber maklumat yang penting kepada rakyat di mana mengandungi pernyataan yang menyeluruh mengenai rancangan Kerajaan dan penggunaan wang bagi membiayai aktiviti harian dan program baru untuk sesuatu tahun kewangan.

Hasil kajian ini juga menyokong kajian Heald (2003) di mana secara tradisinya nilai untuk wang adalah gabungan tiga aspek yang berbeza iaitu ekonomi, kecekapan dan keberkesan dalam penyampaian perkhidmatan. Ini mungkin disebabkan oleh pegawai dan kakitangan IPKKM yang berumur di antara 21 hingga 50 tahun dan ke atas bertanggungjawab memastikan kualiti perkhidmatan yang diberikan adalah berkualiti nilai untuk wang. Tambahan pula, kebanyakan responden kajian ini telah berkhamid tiga tahun ke atas, maka mereka memastikan bahawa kementerian mendapat pulungan yang menguntungkan Kerajaan dalam sesuatu projek yang dilaksanakan.


Selain itu, didapati juga pegawai dan kakitangan kaum wanita IPKKM adalah lebih berintegriti berbanding kaum lelaki. Oleh yang demikian, ini menunjukkan bahawa pegawai dan kakitangan kaum lelaki kurang mengamalkan nilai-nilai murni dan etika dalam Perkhidmatan Awam. Selain itu, secara keseluruhan, bilangan responden kaum wanita adalah lebih tinggi berbanding kaum lelaki dalam mengemukakan maklum balas soal selidik kajian ini. Secara tidak langsung, menunjukkan pegawai dan kakitangan wanita mengutamakan kualiti dalam penyampaian perkhidmatan yang diberikan kepada pelanggan.

Sehubungan ini, dapat dirumuskan bahawa pegawai dan kakitangan IPKKM menghayati dan mengamalkan nilai-nilai integriti dalam konteks kajian ini bagi menjamin kesejahteraan dan kejayaan Kementerian. Nilai integriti yang diamalkan adalah nilai dan etika Perkhidmatan Awam yang terkandung dalam Tonggak Dua Belas iaitu menghargai masa, ketekunan membawa kejayaan, kesenokohan bekerja, kemuliaan kesederhanaan, ketinggian peribadi, kekuatan sifat baik hati, pengaruh teladan, kewajipan menjalankan tugas, kebijaksanaan berhemat, keutamaan kesabar, peningkatan bakat dan nikmat mencipta (Institut Tadbiran Awam Negara, 1994).

IMPLIKASI DAN SARANAN
Penemuan kajian ini dapat memberikan gambaran empirikal mengenai hubungan kreativiti dan inovasi, kepatutan membuat keputusan, nilai untuk wang dan integriti dengan kualiti perkhidmatan di kalangan pegawai dan kakitangan IPKKM. Walaupun tahap setiap hubungan pembolehubah tidak bersandar adalah berbeza, namun dapatan kajian ini telah memberikan satu gambaran mengenai hubungan-hubungan yang dikaji di antara prinsip transformasi perkhidmatan dengan kualiti perkhidmatan di IPKKM.

Hasil dapatan kajian menunjukkan bahawa kombinasi kreativiti dan inovasi, kepatutan membuat keputusan, penyampaian berteraskan nilai untuk wang dan integriti (prinsip transformasi perkhidmatan) mempunyai hubungan yang signifikant dan mempengaruhi kualiti perkhidmatan IPKKM. Selain itu, dapatan kajian ini juga mendapati bahawa integriti adalah penyumbang utama yang mempengaruhi kualiti perkhidmatan IPKKM.

Oleh kerana kreativiti dan inovasi, kepatutan membuat keputusan dan penyampaian perkhidmatan berteraskan nilai untuk wang adalah di tahap sederhana dalam menentukan kualiti perkhidmatan yang diberikan, maka Kementerian hendaklah memberi penekanan pada isu-isu di atas dalam menyediakan kualiti perkhidmatan yang cemerlang. Oleh yang demikian, pihak pengurusan Kementerian memerlukan untuk merancang dan merangka kerja dengan teliti, mengukuhkan pengurusan projek Kementerian, mengurangkan kompleksiti dan birokrasi dalam pengurusan kewangan dan perbelanjaan. Selain itu, Kementerian hendaklah membuat penambahbaikan terhadap produktiviti dan menjadi sebuah Kementerian yang lebih bijak dalam menangani masalah penipuan dan melaksanakan dasar serta program yang lebih baik dan dalam tempoh yang diperlukan (House of Commons Committee of Public Accounts, 2005).

Selanjutnya dari segi penyampaian nilai untuk wang pula, pihak pengurusan Kementerian Kesihatan hendaklah memastikan pengurusan belanjawan Kementerian dilaksanakan dengan cekap dan efisien. Oleh yang demikian, pihak pengurusan Kementerian hendaklah membuat penambahbaikan terhadap produktiviti dan menjadi sebuah Kementerian yang lebih bijak dalam menangani masalah penipuan dan melaksanakan dasar serta program yang lebih baik dan dalam tempoh yang diperlukan.

CADANGAN KAJIAN AKAN DATANG

Hasil kajian yang diperolehi dapat memberikan satu gambaran kualiti perkhidmatan yang diberi oleh pegawain dan kakitangan IPKKM. Walaupun kajian ini telah membuktikan keempat-empat pembolehubah tidak bersandar prinsip transformasi perkhidmatan menyumbangkan 63% kepada perubahan dalam kualiti perkhidmatan IPKKM, 27% lagi adalah dari faktor-faktor lain yang turut mempengaruhi tahap kualiti perkhidmatan yang diberikan.
Oleh yang demikian, masih banyak lagi kajian yang perlu dilaksanakan untuk mengenalpasti faktor-faktor lain selain dari kreativiti dan inovasi, kepentasan membuat keputusan, nilai untuk wang dan integriti yang memberi impak kepada kualiti perkhidmatan Kementerian Kesihatan. Faktor-faktor lain yang turut mempengaruhi kualiti perkhidmatan Kementerian Kesihatan yang boleh dikaji adalah seperti budaya organisasi, personaliti responden, komitmen terhadap organisasi dan sebagainya. Selain itu juga, pengkaji akan datang boleh memperluaskan kawasan liputan kajian dengan menambah bilangan lokasi kajian kementerian/agensi/jabatan atau ke negeri atau daerah lain kerana kajian ini hanya dibuat di Putrajaya sahaja.

**RUJUKAN**


The Influence of Product Quality and Service Quality on Brand Leadership: Empirical Evidence from Malaysia

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ABSTRACT
This study examined the effect of product quality and service quality on brand leadership. Automobile industry was selected to conduct this study due to its importance in driving the economy status of Malaysia. A survey questionnaire was administered personally to car users in North region of Malaysia at large shopping malls. The sample covered 470 respondents to obtain their feedback and perception on the car brand they use. The data were analyzed using Structural Equation Modeling (SEM) on AMOS. The findings indicated that product quality and service quality have significant positive relationship with brand leadership. Finally, conclusion and future research directions are discussed.

Keywords: brand equity, brand leadership, product quality, service quality

1. Introduction
The rapidly increasing interest in firms’ branding nowadays with respect to the high competition in markets has become the driving force for firms to understand how brand success can be driven and enhanced. The management of a brand significantly plays an important role in establishing favourable attitudes towards the firm (Curtis et al., 2009). A powerful brand can be expressed and communicated through its personality, and by positioning itself positively minds of its customers with favourable image (Keller, 2008; Martisiute, Vilutyte, & Grundey, 2010). In this way, marketing and strategic brand management will be crucial to business success in the future which is basically aim to meet customers’ delightness and influence their purchase decision.

Automobile industry is one of the main industries that face stiff competition from global brands, particularly in Malaysia. The local manufacturers; Proton and Perodua have been trying to respond to such competition by updating their products and services with differentiated features and maintain their market shares in the markets. To remain competitive, product quality and service quality are both important concepts that drive the success and power of a brand. In fact, brands are increasingly competing with each other in order to become market leaders in a particular category. To achieve that, they emphasize on differentiating their products and service from those of competitors by creating intangible values to their customers. This not only increases their market share, but also provides them with sustainable competitive advantage and positive customer affiliation. However, despite the importance of product quality and service quality, there is very less research that has come across the role of product quality and service quality in building up brand leadership and particularly in automobile context.

2. Literature Review

2.1 Product Quality
Previous research indicated that product quality is one of the key positioning tools that have significant effect on purchase decision (Shaharudin, Mansor, Hassan, Omar, & Harun 2011). Particularly, a good product quality provides strong basis for creating favourable brand image (Baltas & Argouslidis, 2007; Junyean, 2007). As stated by Hilman (2009), and Eze et al., (2012), product quality is a key strategic technique that global brands use for for building their competitive advantage and enhancing brand equity. This can be done by offering a useful utility and better customer value.

The literature has reported several definitions for product quality. For Instance, Aaker (1991, p. 85) defined product quality as “the consumer’s perception of the overall quality or superiority of a product
or service with respect to its intended purpose over other alternatives”. Besides, Insch and McBride (1998) classified product quality to design quality, manufacturing quality and overall quality. One of the main definitions of product quality was suggested by Zeithaml (1988) as “the perceived superiority in a product as compared with competing alternatives forms the customer's perspective product quality, product value, trust, relationship value and commitment as representing important aspects of business relationships”.

Product quality has been in the literature for many years and is considered among the most important factors in the automobile industry (Jahanshahi, Gashti, Mirdamadi, Nawaser, & Khaksar, 2011; Shaharudin, Mansor, Hassan, Omar, & Harun, 2010). It can be evaluated according to the attributes and characteristics of a product which is basically created to fit the needs and satisfaction of business customer (Chavan, 2003). Customers would be satisfied toward the quality of a product when it meets their expectations (Jahanshahi et al., 2011). Otubanjo (2013) reported that product quality is one of the main factors to build brand leadership. Moreover, Beverland et al. (2007) added that leading brands inspire the image of product quality status and promote favourable prestige among customers. Product quality differentiates a brand from its competitors and is particularly the main concern of leading brands. Based on this discussion, the following hypothesis is proposed:

**H1: Product quality has significant relationship with brand leadership**

### 2.2 Service Quality

Providing service quality to business customers is regarded as a fundamental strategy for long-term success in highly competitive markets. Service quality offers customers a better value and creates a strong justification for selecting a certain brand over another. To do so, firms focus on differentiating their services from those of competitors by creating intangible value along with the product or service (Kayaman & Arasli, 2007). In fact, a firms which seeks to obtain competitive advantage, pays considerable attention for the investment in providing quality of services to its respected customer, this in turns builds and sustain its image positively in the long run (Hilman, 2009; Taleghani et al. 2011).

In the past literature, service quality has been defined differently from numerous scholars. The common definition referred service quality to the extent to which the service provided by a brand meets or exceeds the expectations of customer (Dotchin & Oakland, 1994; Lewis & Mitchell, 1990). Bittner and Hubbert (1994) also defined service quality as the overall impression that customers develop according to the actual utility and superiority of organizational services. A firm invests in service quality in order to enhance customer perceptions towards the services provided which to a large extent improves their experiences with that firms (He & Li, 2011).

Surprisingly, most of the studies on service quality has focused on service contexts such as telecommunication, education, and banking sectors (He & Li, 2011; Malik et al., 2011; Nawaz & Usman, 2011). Moreover, the relationship between service quality and brand equity, has received less attention (He & Li, 2011). Therefore, this research aims to fill up this gap by examining the effect of service quality on brand leadership as a dimension of brand equity. Varghese (2010) provided an evidence for the existence of a strong relationship between service quality and brand leadership, and reported that offering quality of service to customer represents the main factor for building brand leadership. Thompson (2013) added the brand leadership is the result of excellent service that is integrated to firms’ daily activities. Thus, the following hypothesis is proposed:

**H2: Service quality has significant relationship with brand leadership**

### 2.3 Brand Leadership
Keller (2008) specified that leading brands have the ability to influence customers’ purchase decision through the differentiated values endowed to a certain product or service. Keller (2008) added that leading brands capture larger market shares, and benefit from charging a premium price on the products, and their leadership status enables them to cope with competitive players. In order for a brand to obtain a leadership position, it is very essential to emphasize on product differentiation with something that can’t be easily copied or imitated (Rozin & Magnusson, 2003). Indeed, differentiation stems from the ability of a brand to stand in the market with the presence of others; it covers several aspects such as: uniqueness, popularity, quality, and distinctiveness. Gehlhar, Regmi, Stefanou, and Zoumas (2005) demonstrated that brand leadership can be sustained when a brand has the ability to differentiate its product and services from competitors. All of these elements have made brand leadership sufficiently essential to worth this attention.

Brand leadership was proposed by Aaker (1996) who is regarded as one of the most well known academicians in the field of brand equity as a dimension of brand equity. However, surprisingly, the majority of the past studies have somewhat ignored this important dimension and have focused mainly on the other frequently used dimensions (brand awareness, brand loyalty, brand associations, and perceived quality) of brand equity. Thus, this study would fill the gap by incorporating brand leadership as a dimension of brand equity.

3. Research Framework
This study investigated the effect of product quality and service quality on brand leadership, as shown in figure 1, product quality and service quality represented the independent variable whereas, brand leadership represented the dependent variable. Understanding the relationships between these variables would provide useful suggestions and guidelines for both practitioners and future research.

4. Methodology
This study aims is to examine the effect of product quality and service quality on brand leadership. Brand leadership represents the dependent variable, whereas product quality and service quality represented the independent variable. A survey method was used to collect the data from car users in North region of Malaysia. The instrument is primarily designed to conduct this research. The sample for this research was performed using simple random sampling technique. In particular, this probability sampling technique is necessary for the sample to represent the population (Malhotra, 1993). According to the Malaysian Automotive Association, the total number of passenger cars on road as up till 2012 in North region of Malaysia is more than 1 million. Therefore, following Krejcie and Morgan (1970) table, it was indicated that a study which has a population of 1 million or more, should at least have a sample size of 384. Thus, a random sample of 470 car users in Malaysia was drawn.

The measurement items for the proposed constructs were adapted from previous research to fit the purpose of this study. All constructs were measured using Seven-point Likert scale ranging from (1) strongly disagree to (7) strongly agree. The measurement items of product quality were adapted from...
Kennedy et al. (2001), whereas service quality was measured using 6 items adapted from Taleghani et al. (2011), this is because the items had acceptable reliabilities, with Cronbach's alphas of more than 0.70, and were tested previously in automobile sector. In addition, brand leadership was measured using five items adapted from previous scale of Aaker (1996) and Liaogang, Chongyan and Zi’an (2007).

5. Analysis of Results

To comply with the requirements of data collection, 700 questionnaires were distributed to passenger car users in North region of Malaysia. However, only 470 questionnaires were returned back representing 67 % response rate of the overall study. The respondents’ profile has indicated that 212 participants were male represented with 45.1%, whereas female consisted of 258 with 54.9% response rate. With regard to age, the results indicated that only 66 respondents are less than 25 years old, whereas the majority which is almost 217 with 46.2% fall in the age category of 25-35. Those whose age between 35-45 has gained a total number of 83 represented with 17.7%, and for that last age group (more than 45 years old), the study has 104 respondents represented with 22.1%. Moreover, the results of the study indicated that 362 (77%) of the respondents were Muslims, 65 (13.8%) were Buddhists, 23 (4.9%) were Hindu, 18 (3.8%), were Hindu, while 2 respondents with 0.4% were from other religions. Similarly, the respondents’ profile indicated that 183 (38.9%) of respondents had High school certificate/ SPM/ PMR, 111 (23.6%) had diploma, 121 (25.7%) had bachelor degree, 32 (6.8%) had master certificate, 15 (3.2%) had doctoral certificate, whereas 8 respondents with 1.7% had other certificates.

Factor analysis was conducted for the constructs and the results showed that the value of Kaiser-Meyer-Oken (KMO) is equal to .944 which is above the recommended value of .6 as suggested by Pallant (2001). The Bartlett’s test of sphericity was found to be significant (P = .000), which provides initial support for the assumption of existing a correlation between the constructs. Furthermore, the principal component was used to run these factor analyses, and the result showed the 3 components for the constructs according to the Eigen value. These constructs have captured 58.5% of total variance in the items.

Moreover, Cronbach’s alpha was calculated to test the reliability of measures across all constructs. The results revealed that all of the variables had acceptable reliability (internal consistency), product quality (0.949), service quality (0.900), and brand leadership (0.899). This indicates that the values for all variables are more than 0.70, and hence convergent validity is supported (Hair et al., 2010). Composite reliability was also calculated to check the reliability of measures. The result also indicated that the composite reliability was achieved for the variables, product quality (0.949), service quality (0.989), and brand leadership (0.898), which means that all are above 0.70. Therefore, reliability analyses have been satisfactor for the current constructs of this study.

Discriminant validity test was also used to ensure that the measurements items of each construct are distinct from each other. To do so, this study used the average variance extracted (AVE) procedures. Byrne (2010) revealed that an AVE value which is more than 0.50 should be considered as an indication of existing discriminant validity as well as high validity of each construct and variables in the model. As shown in table 1, all constructs have exceeded the recommended value of AVE which indicates the existence of discriminant validity.

<table>
<thead>
<tr>
<th>Constructs and Measurement</th>
<th>Cronbach's Alpha</th>
<th>Composite Reliability</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product quality</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PQ2 This car has good quality.</td>
<td>0.949</td>
<td>0.949</td>
<td>0.852</td>
</tr>
<tr>
<td>PQ3 This car is functional.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PQ4 This car is dependable</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Confirmatory factor analysis was also performed to confirm the factor loadings for each of the constructs (product quality, service quality, and brand leadership). From the results, it shows that the factor loadings for the items for all constructs were satisfactory, ranging from 0.74 to 0.96. This means that all constructs confirm/satisfy the construct validity. SEM is concerned with the model of which comprises all variables together. However, several indices were used to determine the goodness of fit of the model. As it can be seen the figure 1 below, the modified structural model has yielded an expected significant chi-square (204.164, p<0.05) given the large sample size employed in this research. Other fit indices were also used to support chi-square and ensure the goodness of fit such as: (GFI = 0.938, AGFI = 0.908, TLI = 0.966, CFI = 0.973 and RMSEA = 0.070). From these results, it can be concluded that the model achieved a good fit for the data (Hair et al., 2010).

Figure 1: Structural Model

However, in order to test the proposed hypothesis, the covariance and correlation tables were taken from the output of measurement model which was done on AMOS. The results indicated that product quality has significant influence on brand leadership ($\beta$= 0.594, CR= 8.605, $p< 0.05$), this means
that H1 is supported. The influence of service quality on brand leadership was also significant (β=0.734, CR= 9.516, p= < 0.05), therefore H2 is accepted.

Table 1: Research Findings

<table>
<thead>
<tr>
<th>Hypothesized Effect</th>
<th>Std. Estimate</th>
<th>S.E.</th>
<th>C.R.</th>
<th>P</th>
<th>Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1: Product quality has significant relationship with brand leadership</td>
<td>0.594</td>
<td>0.069</td>
<td>8.605</td>
<td>***</td>
<td>Yes</td>
</tr>
<tr>
<td>H2: Service quality has significant relationship with brand leadership</td>
<td>0.734</td>
<td>0.077</td>
<td>9.516</td>
<td>***</td>
<td>Yes</td>
</tr>
</tbody>
</table>

***: p<0.001; **: p<0.01; *: p<0.05

6. Discussion

The main purpose of this study was to examine the effect of product quality and service quality on brand equity in context of Malaysian automobiles. The results indicated that both product quality and service quality have significant positive effect on brand leadership. This result was expected because the powerful and leading car brands emphasize on product quality and integrate it into the main strategies of their operation. Central to brand leadership are issues relating to increasing the levels of product quality which is dependent on the ability of a brand to lead competitively in a particular market place (Otubanjo, 2013). Keller (2003) declared that global brands inspire the image of product quality status among their customers to enhance their leadership position in target markets. Such emphasis would enhance the value of the brand in the long run and forms the basis of competitive advantage.

Beverland et al. (2007) added that leading brands are considered as powerful and influential in attracting customers through focusing on the dimensions of product quality and service quality. This is in fact one of the main drivers for sustainable competitive advantage and market power. Based on the above discussion, it shows the importance of product quality and service quality in developing brand leadership. Thus, it is suggested that car manufacturers should exert greater efforts toward improving their product quality and service quality meet the needs and satisfaction of their customer. By doing so, automobile brand can improve the brand equity in the long run, and it would be possible for such brands which integrate both product quality and service quality into their strategic operation to become the leading edge in markets.

7. Conclusion and Future Research

Building strong brand equity is one of the main strategies to differentiate a product from competitors. While a brand manages to enhance its equity through becoming a market leader in particular product category, the creation of competitive advantage will be the main consequences of that process, and also strong barriers would be placed on competing brands. Thus, brand equity is a durable assets and values of a firm and provides a strong basis for gaining sustainable competitive advantage. This study showed the importance of product quality and service quality in developing brand leadership; a dimension of brand equity. The results indicated that both product quality and service quality play an important role in building brand leadership.

This study provides suggestions for car manufacturers to incorporate both product quality and service quality into their business strategies if they aim to enhance their brand equity, and particularly brand leadership. Product quality and service quality have strong relevance to the automobile context and are considered among the most important factor for purchase decision of the leading brands. In highly
competitive markets with increasing number of automobile brands, providing products with high quality and offering excellent service at a time to customers not only improve brand equity, but also enables a firm to obtain sustainable competitive advantage for long run.

This study has several limitations. For example, the respondents were only from North part of Malaysia, therefore it is suggested for future research to conduct similar studies in other larger areas. Moreover, this study has focused only car users of Malaysian brands. An interesting study would involve the users of other car brands and conduct comparison studies on customers’ perception towards local and foreign car brands. by doing so, it would strengthen the results and help local automobile manufactures to understand the possible strategies for building brand leadership and gain competitive advantage. Finally, this study has employed quantitative research to test the influence of product quality and service quality on brand leadership. Therefore, future studies are advised to implement other qualitative methodologies to gain better insights and opinions on the factors that play an important role in creating brand leadership.

8. REFERENCES


Keinginan pengguna untuk membeli produk berjenama mewah tiruan:
Satu kajian di Malaysia

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Universiti Utara Malaysia

ABSTRAK

Pengeluaran dan penjualan produk tiruan merupakan satu isu yang tiada akhirnya dan menjadi masalah yang semakin serius di pasaran antarabangsa amnya dan pasaran Malaysia khususnya. Permasalahan utama berkaitan produk tiruan mempunyai pelbagai aspek iaitu kepada pengguna (kesihatan dan keselamatan), kesannya kepada pemegang IPR (ekuiti jenama dan kehilangan volum jualan), ekonomi/kerajaan (kehilangan cukai dan isu integriti), pengeluar produk tiruan (risiko perundangan), serta aspek sosial (kehilangan kerja). Peniruan produk di pasaran begitu ketara apabila mempunyai pelbagai aspek iaitu keinginan pengguna terhadap produk tiruan dan keinginan pengguna untuk membeli produk berjenama mewah yang tiruan di Malaysia.

PENGENALAN


pengguna membeli barangan berjenama mewah tiruan tersebut dan secara tidak langsung membentuk keinginan mereka membeli barangan berjenama mewah yang sebenar.

ULASAN KARYA BERKENAAN PRODUK TIRUAN


Peniruan produk berjenama mewah yang terkenal biasanya menarik minat pengeluar untuk dijadikan sebagai produk tiruan kerana mereka ingin mengambil kesempatan daripada jenamanya yang bernilai tinggi. Berbeza dengan produk-produk biasa yang lain, jenama mewah yang terkenal dianggap berbeza, unik serta mahal dan hanya mampu dimiliki oleh mereka yang benar-benar berkemampuan sahaja bagi menonjolkan klas sosial yang mereka miliki. Bagaimanapun, dengan adanya lambakan produk tiruan berjenama mewah ini, boleh dikatakan sesiapa sahaja yang bercita-cita mempunyai produk berjenama mewah mampu untuk memiliki sesuatu jenama mewah yang diidamkan.

Peniruan produk berjenama mewah memberikan kesan negatif kepada sesuatu jenama yang sinonim dengan kualiti, prestij, ekusi jenama yang tinggi, eksklusiviti, dan lain-lain lagi. Walaupun demikian, disebabkan pertumbuhan pesat industrialisasi, pengeluar barangan tiruan mampu untuk mengeluarkan versi produk tiruan yang lebih baik dengan kualiti dan rekabentuk yang seakan-akan sama dengan produk sebenar dan ini mendorong semakin ramai orang cenderung membeli produk tiruan berjenama ini.

di seluruh dunia pada tahun 2012 akan mencapai nilai US$450 setahun dan semakin banyak syarikat melabur untuk mewujudkan jenama yang berprestij, semakin cenderunglah jenama mereka akan ditiru (Commuri, 2009).

PRODUK TIRUAN DI MALAYSIA


ditiru pula seperti nama yang dikenal pasti adalah Louis Vuitton, Gucci, Burberry, Tiffany, Prada, Hermes, Chanel, Dior, Yves St Laurent, dan Cartier.


Pertumbuhan pesat perniagaan yang membabitkan barangan tiruan adalah didorong oleh peningkatan dagangan dunia dan kemunculan pasaran baru, kemajuan teknologi, dan juga peningkatan barangan yang berbaloi untuk ditiru (Wee et al., 1995). Barangan berjenama mewah dikatakan adalah mudah untuk ditiru kerana ia begitu mudah dijual dan melibatkan kos pengeluaran yang rendah (Gentry et al., 2006). Ini menarik minat sesetengah pengguna yang sensitif kepada aliran fesyen terkini untuk memiliki bagi menonjolkan status mereka kerana mampu untuk memilikinya pada harga yang rendah dengan kualiti produk seperti yang dijangkakan. Selain itu, faktor mudah akses kepada produk berjenama mewah tiruan ini juga adalah penyebab kepada peningkatan pembelian barangan berjenama mewah tiruan di pasaran.

Adalah penting untuk mengkaji sikap pengguna di Malaysia terhadap barangan kulit berjenama mewah yang tiruan dan mengenalpasti faktor yang membentuk keinginan mereka untuk membeli produk berjenama tiruan ini. Perlu ditekankan di sini, keputusan membeli produk berjenama mewah tiruan bukan hanya melibatkan keputusan berkaitan pemilihan produk semata-mata akan tetapi ianya juga melibatkan keputusan tentang sesuatu jenis (Eisend dan Schuchert-Guler, 2006).
METODOLOGI KAJIAN

Rajah 1: Kerangka kajian berkenaan sikap dan keinginan pembelian terhadap produk tiruan berjenama mewah

FAKTOR PERSONALITI

- Peka terhadap nilai
- Gratifikasi peribadi
- Pencarian novelti

FAKTOR SOSIAL

- Normative susceptibility
- Informational susceptibility

Sikap terhadap pembelian produk berjenama mewah tiruan
Keinginan untuk membeli produk berjenama mewah tiruan

HIPOTESIS PENYELIDIKAN

Kajian-kajian yang lepas mengenal pasti sikap pengguna terhadap produk tiruan boleh dipengaruhi oleh pelbagai antecedent. Antaranya adalah faktor sosial dan faktor personaliti. Secara amnya, pengaruh sosial mencerminkan penilaian orang lain terhadap gelagat pengguna individu (Ang et al., 2001) dan ia boleh dibahagikan kepada dua bentuk iaitu normative susceptibility dan informational susceptibility (Wang et al., 2005). Information susceptibility merujuk kepada keputusan pembelian yang dibuat berdasarkan pandangan pakar terhadap orang lain (Ang et al., 2001) manakala normative susceptibility adalah berkaitan dengan keputusan yang dibuat berdasarkan sesuatu jangkaan yang boleh mengkagumkan orang lain. Memandangkan imej diri memainkan peranan yang penting, pembelian produk berjenama mewah tiruan dilihat tidak menunjukkan impresi yang baik. Oleh yang demikian, pengguna akan membentuk sikap tidak suka terhadap produk berjenama mewah tiruan ini. Maka, hipotesis kajian adalah:

H1 : Faktor sosial mempunyai pengaruh negatif ke atas sikap pengguna terhadap produk berjenama mewah tiruan

Lichtenstein et al. (1990) mendefinisikan peka terhadap nilai sebagai pertimbangan membayar harga rendah dengan mengambilkira kekangan dari aspek kualiti. Bagi harga yang rendah dan kualiti yang boleh diterima, produk tiruan masih dianggap mempunyai nilai untuk wang (Wang et al., 2005). Disebabkan produk berjenama mewah tiruan mampu menawarkan faedah fungsian yang sama seperti produk asli, maka pengguna yang memperingkat nilai lebih gemar kepada produk tiruan dan membentuk sikap positif terhadap produk berjenama mewah tiruan. Maka hipotesis kajian adalah
H2 : Peka terhadap nilai mempunyai pengaruh positif ke atas sikap pengguna terhadap produk berjenama mewah tiruan.


H3 : Gratifikasi peribadi mempunyai pengaruh negatif ke atas sikap pengguna terhadap produk berjenama mewah tiruan

Pencarian novelti adalah keinginan yang mendalam yang ada pada individu bagi mencari kepelbagaian dan perbezaan (Wang et al., 2005). Pengguna yang dikategorikan sebagai pencari novelti dikatakan berminat dengan produk yang mempunyai risiko pembelian yang rendah. Oleh yang demikian, kos rendah yang ditawarkan oleh produk tiruan adalah sangat bersesuaian untuk memenuhi keinginan mendalam dan keperluan untuk bereksperimen (Wee et al., 1995). Maka hipotesis kajian adalah :

H4 : Pencarian novelti mempunyai pengaruh positif ke atas sikap pengguna terhadap produk berjenama mewah tiruan.

Teori Gelagat Dirancang (TBP) telah digunakan dalam kajian-kajian yang lepas bagi membincangkan perkaitan di antara gelagat dan keinginan untuk membeli di mana keinginan untuk membeli adalah penentu yang baik bagi gelagat pembelian (Phau & Teah, 2009; Hidayat & Diwasasri, 2013). Kajian mendapati, sikap terhadap produk tiruan mempunyai pengaruh positif yang signifikan ke atas keinginan untuk membeli (Phau & Teah, 2009; Nordin, 2009; Hidayat & Diwasasri 2013). Lebih positif sikap pengguna terhadap produk tiruan, maka lebih tinggi kecenderungan pengguna untuk membeli jenama tiruan (Whee et al., 1995). Maka hipotesis kajian adalah :

H5 : Terdapat perhubungan yang signifikan di antara sikap dan keinginan membeli produk berjenama mewah tiruan.

Anteseden sosial dan personaliti telah dikenal pasti sejak dulu lagi mempunyai pengaruh ke atas pembuatan keputusan pengguna terhadap keinginan membeli (Nordin, 2009). Oleh yang demikian, hipotesis kajian ini adalah seperti yang berikut :

H6 : Faktor sosial mempunyai perhubungan signifikan ke atas keinginan membeli produk berjenama mewah tiruan.

H7 : Terdapat perhubungan signifikan di antara pentingkan nilai dan keinginan membeli produk berjenama mewah tiruan.

H8 : Terdapat perhubungan signifikan di antara gratifikasi peribadi dan keinginan membeli produk berjenama mewah tiruan.

H9 : Terdapat perhubungan signifikan di antara pencarian novelti dan keinginan membeli produk berjenama mewah tiruan.
KAEDAH PENGUTIPAN DATA


SUMBANGAN DAN IMPLIKASI KAJIAN

Walaupun banyak kajian lepas membincangkan isu produk tiruan dari pelbagai aspek namun kajian tentang produk tiruan ini agak terhad dilakukan di negara Malaysia terutamanya yang berkaitan keinginan pembelian oleh pengguna. Dari segi teori, kajian ini diharap dapat menyumbang kepada ilmu pengetahuan berkenaan dengan gelagat pengguna dengan menyediakan hasil empirikal berkenaan sikap pengguna (secara khususnya di Malaysia) terhadap produk fesyen berjenama mewah tiruan. Konsep berkenaan produk tiruan, konsep jenama, dan bagaimana faktor personaliti dan faktor sosial memberikan kesan dalam membentuk keinginan membeli produk berjenama mewah tiruan juga diharap dapat membantu pihak pemasar untuk memahami pengguna dengan lebih baik dan seterusnya merangka strategi penjenamaan bagi menguatkan imej jenama pemasar itu sendiri yang telah dirosakan oleh pengeluar produk tiruan.

RUJUKAN


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Key Drivers In Enhancing Actual Purchase of Local Brand in Saudi Arabia: Intention, Patriotism, Trust, Family and Government Support

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Abstract

The study empirically investigates the important antecedents: intention, patriotism, trust, family and government support to actual purchase of local brand in Saudi Arabia. Though lot of attention is given to study the relationship between key drivers in enhancing actual purchase and intention, patriotism, trust, family and government support. But still there is a considerable confusion about how this relationship is developed and where it is directed.

Each of the construct was measured on 7-point Likert scale ranging from 1 strongly disagree to 7 strongly agree, where actual purchase has 6 items, intention has 8 items, patriotism has 11 items, trust has 8 items, family has 8 items and government support has 8 items.

Four hundred self-administered questionnaires were distributed to target respondents among education specialists in Riyadh, Eastern Province, and Northern Borders of Saudi Arabia. 252 questionnaires were completed and returned, so the response rate was 63%. The data was analyzed using Structural Equation Modeling (SEM) through AMOS 21. The goodness of fit indices of the revised structural model indicate adequate fit (GFI: 0.956, CFI: 0.984, RMSEA: 0.033, Ratio: 1.274, P-value: 0.066). The regression parameter estimates show three significant relationships between intention and patriotism (β=0.244, P-value> 0.002 and C.R=3.039), intention and family (β=0.692, P-value = P <. 001*** and C.R=7.668), actual purchase and intention (β = 0.786, P-value = P <. 001*** and C.R = 6.904). The results show that purchase intention is positively related to consumer patriotism and purchase intention positively related to family. In addition, the results also indicate that the impacts of purchase intention on the actual purchase are significant. These results are discussed in the context of improving domestic product brand in Saudi Arabia.

Keywords: Actual Purchase of Local Brand, Patriotism, Family, Government Support

Background

Existing literature reported that in the developing countries, foreign brand purchasing is associated with quality and prestige, while purchasing of local brands is associated with ethnocentrism and patriotism (Kaynak & Kara, 2002; Oszomer, 2012; Sklair, 1994; Wang & Chen, 2004; Zhou & Hui, 2003). The importance of brand purchasing analysis has been recognized by many researchers, and contemporary literature is now rich with studies at the national level with the goal to understand what motivates consumers purchasing local and foreign brands (Bhardwaj et al., 2010; Oszomar, 2012; Villar & Segev, 2012; Zhou, Yang & Hui, 2010).
For example, it was found that in the developed countries, consumers prefer local brands over foreign brands, while in the developing countries the situation is diametrically opposite (Batra et al., 2000; Frimpong, 2008; Kumar et al., 2009; Zafar et al., 2004).

In Saudi Arabia, growth of consumption actual purchase local brand and foreign products created a sense of importance to develop the local Saudi brands. However, the few existing studies of actual purchase local brand in Saudi Arabia demonstrated the lack of positive attitudes towards local products. For example, in line with the general findings regarding brand perceptions in the developing world, the local Saudi brands are often considered inferior in terms of quality (Bhuian, 1997; Sohail, 2004). Further, Natto (2013) argued that the local brands face difficulties connecting with the Saudi consumers because there are few local entrepreneurs who could enhance the positive perceptions about Saudi brands and because the vast majority of Saudi businesses offer foreign-made products. In other words, Saudi companies, by the products and brands they offer, are psychologically shaping Saudi consumers’ preferences to foreign brands.

Saudi Arabia lifted many barriers to trade and the presence of international companies on the domestic market, which further strengthened the recognition of foreign brands by the consumers. The continuing interest of foreign companies in Saudi market today is determined by the country’s stable growth both market and economy wise. As of 2012, Saudi Arabia ranked 30th in terms of population and 28th in terms of income per capita in the world, and its total imports topped $136 billion in various product categories (IMF, 2013). Not surprisingly, researchers have noted continuing strong rise of consumerism within Saudi society (Assad, 2007; Kamal, Chu, & Pedram, 2013; Rahman, 2012).

Problem Statement

Despite the importance of actual purchase local brand analysis demonstrated in the available literature, there is a clear lack of research focusing on Saudi market in this regard. Moreover, the available studies were conducted with the focus on foreign brand preferences, thereby leaving out the factors that could drive preferences for the local products (Bhuian, 1997; Sohail, 2004). As a result, while giving some useful insights into the acceptance of foreign brands in general, the available literature on Saudi Arabia does not provide sufficient discussion of the local brand preferences in Saudi Arabia. Nor there have been any attempts to identify what factors could drive consumer demand for the local brands. The current study aims to fill this gap in knowledge. By building an empirical model, the study will attempt to uncover the specific factors that could be associated with purchasing of domestic brand products in Saudi Arabia.

While absent for Saudi Arabia, studies investigating customer preferences of local brands have been conducted in various national settings. Literature search revealed studies of local brand preferences in Bangladesh (Kaynak et al., 2000), Canada (Follows & Jobber, 2000), China (Kwok et al., 2006, Turkey (Oszomar, 2012), United Kingdom (Morven et al., 2007), and Yemen (Al-Ekam et al., 2012). While not exhaustive, the empirical evidence in these studies suggested that the patterns of brand preferences differed between the developed and developing countries.

Specifically, consumers in the developed countries favored local brands, while consumers in the developing markets preferred brands associated with the foreign countries. Studies also suggested a number of factors that could be important in understanding motivation behind purchases of local brands. Among these factors are patriotism, family and friends, perceived behavioral control, and trust (Al-Ekam et al., 2012; Antonia et al., 2009; Dmitrovic et al., 2009; Han, 1998). Further, most of these studies used intention of brand purchase as a dependent variable. Yet, there is a general agreement today that actual purchase should be considered because it reflects to a greater extent the degree of brand preferences (Al-Ekam et al., 2012; Dmitrovic et al., 2009; Morven et al., 2007).
Literature Review and Hypothesize

Based on theory of planning behavior Ajzen’s (1991) TPB, four predictors of intention to purchase local brands in Saudi Arabia and of actual behavior leading to purchase are selected. These predictors are patriotism, trust, family, and government support. These four factors influence a person’s intention. In addition to a person’s intention influencing the actual purchase of local brand, the four predictors all directly impact the decision. The relationships between the variables are discussed subsequently.

Intention and actual Purchase

The relationship between intention and actual behavior is one of the central in the TPB (Ajzen, 1991). Purchase intention is defined by Ajzen and Fishbein (1980) as the consumer’s readiness and willingness to purchase a product. Actual purchasing behavior is defined as involvement in purchase and use of a product (Fishbein & Ajzen, 1975). The relationship between intention and actual, the two has been tested empirically and confirmed by many studies investigating purchasing behavior of consumers (Al-Ekam et al., 2012; Marie et al., 2009; Morven et al., 2007; Yoo & Donthu, 2005).

The relationships between consumer intentions and actual purchase of local brands have also been found confirmed positive by studies focusing on local brand preferences (Al-Ekam et al., 2012; Klein et al., 1998; Marcel et al., 2001). Therefore, this study presented the following hypothesis:

$H1$: Purchase intention of local brands in Saudi Arabia is positively related to actual purchasing.

Government Support

Government support is a relatively unexplored, yet important factor influencing purchases of local brands. A study by Antonia et al. (2009) showed that government policies supporting and promoting local businesses could influence stronger consumer response. Further, Gary and Knight (1999) noted that governments could be interested in the reduction of foreign brand influence in the domestic market because stronger demand on local products drives the domestic economy. Government support for local brands, according to Gary and Knight, could be expressed through favorable economic policies towards local companies and through raising consumer awareness of the local products. In the context of Saudi Arabia, government support could become a strong element influencing consumer decisions. This is because the country has been actively seeking to diversify its oil dominated economy, and this process inevitably involves development of new industries and internal markets.

Within the TPB, government support can be considered a form of control belief, which is tied to the perceived behavioral control antecedent. PBC definition usually includes two elements: self-efficacy, or confidence in one’s ability to perform behavior; and facilitating conditions, or the presence of resources and environment helping perform the behavior (Ajzen, 1991). Government support relates to the latter: it creates the environment where local brands can be more visible and desirable for purchase. This was confirmed by several empirical studies, which found that specific government policies expressed through PBC factor could have positive relationships with purchases of local brands (Antonia et al., 2009; Marie et al., 2009; Margaret & Thompson, 2001; Morven et al., 2007). Based on these findings, this study presented the following hypotheses:

$H2$: Government support is positively related to actual purchase of Saudi domestic brands.
**Trust**

Trust is generally defined as the trustor’s belief that trustee will meet the expectations without exploiting the position of trust (Pavlou & Fygenson, 2006). With reference to consumer behavior research, trust refers to consumer willingness to become tied to the seller and the seller’s products (Rousseau et al., 1998). Consequently, this is not something that is created overnight; rather, trust is being built on a long term basis (Al-Ekam et al., 2012; Ganesan, 1994). Trust has been often integrated within the TPB model as a belief influencing consumer attitudes. According to Ajzen (2002), trust is linked to behavior through specific context, action, and target. Consequently, it creates favorable expectations that a seller will fulfill the promises, thereby creating positive attitudes towards the brand (Pavlou & Fygenson, 2006). In this regard, studies showed that trust can be positively related to purchases of both local and foreign products (Al-Ekam et al., 2012; Harris & Goode, 2004; Sirdeshmukh et al., 2002). Therefore, this study presented the following hypotheses:

**H3:** Trust is positively related to consumer actual purchasing of domestic Saudi brands.

**H5:** Trust is positively related to intention to purchase domestic Saudi brands.

**Patriotism**

Patriotism is a concept often mentioned in the studies related to consumer preferences of local brands (Al-Ekami et al., 2012; Rawwas et al., 1996; Vida et al., 2008). It is often linked to another important concept, which is ethnocentrism. For example, a study of consumer preferences in Turkey and Czech Republic by Balabanis et al. (2001) revealed that local consumers exhibited high degree of ethnocentrism and patriotism, which were expressed in the love of own country and culture. Similarly, Sharma et al. (1995) and Oszomar (2012) found that ethnocentric views of consumer groups are strongly related to patriotism and reflected in willingness to purchase local products.

Operational definitions of patriotism vary from study to study. Pullman et al. (1998) considered patriotism as the unity between citizens of a country. Cordell (1991) viewed patriotism as a sense of pride in own country and the commitment to its socioeconomic conditions. Barnes and Curlette (1985) considered patriotism as willingness to defend own country and its cultural foundations. At individual level and within an economic context, patriotism is revealed to the extent that a person values belonging to a certain nation and wishes to express this through particular purchasing decisions (Barnes & Curlette, 1985; Turner, 1991). In other words, high levels of patriotism are likely to be related to purchases of local brands in order to both demonstrate personal belonging to the nation and support the national economy. This was demonstrated by empirical investigations of consumer purchasing decisions, which found positive relationships between patriotism and both intention to purchase local brands and their actual purchase (Balabanis et al., 2001; Dmitrovic et al., 2009; Han, 1998; Vida et al., 2008). Because the sense of patriotism encompasses outcome beliefs (the good for the country and the nation), it can be linked to the Attitudes variable within the TPB model. Following this discussion, this study presented the following hypotheses:

**H4:** Patriotism is positively related to purchasing of domestic brands by Saudi consumers.

**Family and Friends**

Family and friends play an important role in influencing purchasing decisions (Venkatesh & Morris, 1994). Family and friends are believed to create the environment that exerts pressure on an individual to perform certain actions, including preferences for certain products (Taylor & Todd, 1995). Studies by ChASON and Lovato (2001) as well as Venkatesh and Morris (1994) revealed that circles of important people, which are often family and friends, have direct influence on purchasing intentions, including preferences towards local products. It can be assumed that these influences are stronger in the societies where collectivist values prevail, because such societies are stronger knit socially. Saudi
Arabia, which ranks as one of the highest countries on the index of collectivism (Hofstede, 1980), represents one of such societies.

Influences by family and friends can be considered referent beliefs, because they are mostly formed in reference to the other people. Within the TPB, referent beliefs are tied with the Subjective Norms antecedent (Sulaki & Sulaki, 2012). Subjective norms are defined within the TPB as “the person’s perception that most people who are important to him/her think he/she should not perform the behavior under question” (Fishbein & Ajzen, 1975, p. 302). They are linked to intention to perform certain behavior because of the peer pressure exerted by the influential people. In relation to brand choice, Putit and Arnott (2007) found that subjective norms can be directly associated with preferences for local brands. Further, studies determined that family and friends could be the specific factors that either influence or discourage purchasing behavior of certain products and services (DeCanniere et al., 2009; Granzin et al., 1998; McEchern et al., 2007; Mokhlis et al., 2001). Based on this, this study presented the following hypotheses:

**H6: Family and friends have positive relationship with actual purchasing of local Saudi brands.**

The finalized research framework is presented in Figure 2. It demonstrates where each of the defined variables fit within the theory of planning behavior TPB and presents the hypothesized relationships between them.

![Figure 1](image)

**Hypotheses Framework**

As show above in figure 1, intention, Trust, and Government Support are predictors of actual Purchase of local brand, While Patriotism, Trust and Family are predictors of intention.
Methodology

This study employed quantitative research design, utilizing questionnaires as primary method for data collection. The data analysis was conducted with the structural equation modeling SEM to test the hypothesized relationships between the variables. Four hundred 400 self-administered questionnaires were distributed to target respondents among education specialists in Riyadh, Eastern Province, and Northern Borders of Saudi Arabia. 252 questionnaires were completed and returned, so the response rate was 63%. The data collection was conducted in Saudi Arabia. A random sampling technique was applied. Each of the construct was measured on 7-point likert scale ranging from 1 strongly disagree to 7 strongly agree.

Measures of endogenous latent variables actual purchasing of local brand (6 items) were adopted from Fushbein and Ajzen (1975) and Intention to Purchase (8 items) were adopted from Fishbein and Ajzen (1980). The exogenous variables measures of: Patriotism (11 items) were adopted from Al-Ekam et al. (2012), Cordell (1991), Pullman et al. (1998); measures of trust (8 items) were adopted from Al-ekam et al. (2012) and Rousseau et al. (1998); measures of Family and Friends (7 items) were adopted from Chiason and Lovato (2001) and Venkatesh and Morris (2004); and measures of Government Support (8 items) were adopted from Antonia et al. (2009) and Marie et al. (2009).

Finding

Structural equation model was used for exploring the impact of exogenous variables: intention, government support and trust on endogenous variable actual purchase of local brand in also exploring the impact of exogenous variables: patriotism, trust and family on endogenous variables intention. Consistent with the TPB theory, the exogenous constructs were modeled to impact intention directly, and actual purchase indirectly.

The re-vised model (Figure 2) achieves significant improvements in terms of its goodness-of-fit indices as all suggested values were met after some adjustments were made (Ratio = 1.274; GFI = 0.956; p value = 0.066; RMSEA = 0.033).

The regression parameter estimates show three significant relationships between intention & actual purchase ($\beta=.786$, $CR=6.904$, $P<.001$); patriotism & intention ($\beta=.244$ $CR=3.039$, $P<.002$); family & intention ($\beta=.692$, $CR=7.668$, $P<.001$). These findings are discussed in the context of actual and intend purchase of local brands in Saudi Arabia.

However, the regression parameter estimates shown two insignificant relationships between government support and actual purchase ($\beta=-.009$, $CR=-.118$, $P<.906$), also the result show that trust has insignificant relationship with purchase actual pruchase ($\beta=.131$, $CR=1.448$, $P=.148$) in addition the result show the relationship between trust and intention insignificant ($\beta=.244$, $CR=1.448$, $P=.148$)
Figure 2. Direct Hypotheses Testing Results of Revised Model

Table 1. Regression Weights: (Group number 1 - Default model)

<table>
<thead>
<tr>
<th>The relationship</th>
<th>Estimate</th>
<th>S.E.</th>
<th>C.R.</th>
<th>P-value</th>
<th>Situated</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 Actual purchase &lt;---Intention.</td>
<td>.786</td>
<td>.114</td>
<td>6.904</td>
<td>***</td>
<td>Significant</td>
</tr>
<tr>
<td>H2 Actual purchase &lt;---governments support</td>
<td>-.009</td>
<td>.085</td>
<td>-.118</td>
<td>.906</td>
<td>Insignificant</td>
</tr>
<tr>
<td>H3 Actual purchase &lt;--- Trust</td>
<td>.131</td>
<td>.100</td>
<td>1.448</td>
<td>.148</td>
<td>Significant</td>
</tr>
<tr>
<td>H4 Intention. &lt;--- Patriotism.</td>
<td>.244</td>
<td>.104</td>
<td>3.039</td>
<td>.002</td>
<td>Significant</td>
</tr>
<tr>
<td>H5 Intention. &lt;--- Trust.</td>
<td>.051</td>
<td>.090</td>
<td>.636</td>
<td>.525</td>
<td>Insignificant</td>
</tr>
<tr>
<td>H6 Intention. &lt;--- Family.</td>
<td>.692</td>
<td>.075</td>
<td>7.668</td>
<td>***</td>
<td>Significant</td>
</tr>
</tbody>
</table>

DISCUSSION

The conceptual underpinning of the study was the Theory of Planned Behavior (TPB). While the initial hypothesized model did not show good fit, a revised model with fewer items produced the desired fit. The revised model demonstrated three significant positive effects. However, the present study reveals that the influence of four predictors of actual purchase of local brand on Saudi
Arabia consumers intention is the significant positive of actual purchase local brands. However the significant influence local product brand of intention, patriotism and family indicates that the Saudi consumers consider their concept and need for intention, patriotism and family to be in local product brand then like to prefer and purchase local product brand if local product has good in quality.

This replicates and supports the finding by the past studies (Al-Ekam et al., 2012; Klein et al., 1998; Marcel et al., 2001). The significant impact of local product brand on perceived intention and family emotional value on local brands reveals that Saudi consumers prefer local brand because of patriotism and emotional among the consumers, higher of Saudi, supported the findings by a number of previous studies Dmitrovic et al., 2009; Han, 1998; Vida et al., 2008). Significant impact of family and intention on actual purchase of local brands indicates that the Saudi consumers are more emotional oriented rather than functional value for shopping. The significant positive impact of local product brand on purchase intention of global and local brands reveals that the Saudi consumers may buy global or local brands regardless of how they perceive the brand.

Conclusions and Implication

The present study concludes that the factors namely trust, family and purchase intention directly influence actual purchase of local product brand in Saudi Arabia. And also patriotism, trust and family directly influence the purchase intention in the case of local brands. Intention, trust and government support are the other important predictors of the actual purchase. Family is other important predictor of purchase intention. The study provides valuable implication for the existing Arabia Saudi brand.

The local and foreign companies are advised to focus on patriotism, trust and family in order to make a great appeal on their product. Saudi Arabia companies are advised to go for aggressive strategies to improve the customer’s perception on local brands in terms of quality and trust value like “Be Saudi Arabia; buy Saudi Arabia”, “proud to be a Saudi Arabia”. The strategic alliances, licensing agreements or joint ventures are the important strategies to sell the local brand under global brand name with higher status and quality.

Future Research

While the study may not be generalizable into the entire population of Saudi Arabia due to dominant focus on educators and specific Saudi region in the sample, it could serve as a basis for future research on a larger scale. Studies could be conducted using TPB or other models of consumer behavior. It could be also of interest to analyze the effects of other factors on Saudis’ purchases of local brands in order to develop more effective marketing and branding strategies in the country’s consumer market.
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Does Customer Relationship Strategy Influence Customer Satisfaction and Loyalty? : Evidence from Malaysia Banking Sector

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Abstract

Purpose – The main purpose of this paper is to develop a conceptual framework that explains the influence of Customer Relationship Strategy on the customer satisfaction and loyalty of Malaysia Banks.

Design/methodology/approach – This paper adopts qualitative method of reviewing related literatures.

Findings – Evidences from the extant literatures have suggested that effective implementations of the five dimensions of CRM (Customer Orientation, CRM Organization, Knowledge Management, Technology Based CRM and Customer Involvement) will positively affect customer satisfaction and lead to loyalty within the banking industry.

Research limitations/implications – The major limitation of this work is that it is qualitative and thereby requires empirical data to support the model that is presented.

Practical implications – This paper practically suggests that for banks to gain satisfaction and loyalty of their customers, they must monitor level of customer trust through proper integration of CRM application.

Originality/value – This paper primarily conceptualizes a measurement model that would assist in determining the impacts of CRM on customer satisfaction and loyalty of banks. It is the first study that incorporates customer involvement dimension along other four CRM dimensions that was developed by Sin et al (2005). It also considers trust as a moderating variable between satisfaction and loyalty.

Keywords Customer Relationship Management (CRM), Banks, customer satisfaction, customer trust, customer loyalty.

Paper type Conceptual paper

Introduction:

The purpose of any business organization is to create and maintain a customer base that is profitable through provision of goods and services. This business performance and philosophy is long held and operationalized through Customer Relationship Management (CRM) concept that many organizations are now embracing in order to create a pool of customers that are satisfied, committed and loyal and through which profitability can be guaranteed in the long run (Akroush, Dahiyat, Gharibeh & Abu-Lail, 2011; Ngai, 2005).
CRM however has been defined from different perspectives and based on the disciplines of different authors. Its origin has been traced to relationship marketing which evolved in 1983 and technological advancement of mid-1990s (Abdullateef, Mukhtar, Yusoff & Ahmad, 2012; Pedron & Saccol, 2009; Payne & Frow 2005; Sin, Tse, & Yim et al., 2005; Yim, Anderson & Swaminathan, 2005). Sin et al (2005), consider CRM as a strategy and business process that helps organizations to maintain an enduring relationship with customers by identifying, acquiring and sustaining a profitable customer relationship. Payne and Frow (2005) assert that CRM affords organizations to create, develop and enhance relationship with individual and specific customers which will in turn bring about maximization of ‘total customer-life-time value’’. Kotler and Armstrong (2004) define CRM as ‘‘the overall process of building and maintaining profitable customer relationships by delivering superior customer value and satisfaction’’. In this study therefore, CRM is defined as a veritable tool that is being used by different organizations to capture, sustain and keep customers till ‘eternity’ through appropriate and positive relationship that will bring benefits to customers in particular and organization at large.

Business Performance is an important issue in the contemporary and has also being viewed from different perspectives using various metrics. Two of those metrics that are often used are Financial and Marketing Performance (Gama, 2011; Sin et al., 2005).

Financial Performance as a subset of business performance is an important benchmark for organization survival. It is quantitative in nature and depends on the ability of companies to make sales, earn profit, and sustain a favorable cash flow in order to keep the organization going (Ambler et al., 2004). Gama, 2011 asserts that other metrics that are used for financial performance include: ‘‘return on sales (ROS) and investment (ROI) and also metrics reflecting value generated for the company, such as economic value added (EVA) and market value added (MVA)’’. However, these metrics are dependent on marketing performance metrics as the ability to make profit and favorable return on investment, for instance, can be hampered if marketing performance is not effective (Sin et al, 2005; Yim et al, 2005). Marketing performance is therefore based on non-financial performance metrics that are used to judge organization efficiency and effectiveness as various authors have recognized service quality, customer satisfaction, brand equity and customer loyalty as important marketing variables that will determine whether an organization is performing or not (Gama, 2011).

Marketing performance of banks is therefore a major determinant of effectiveness and efficiency of their financial performance. The marketing performance as stated earlier comprises different metrics such as customer satisfaction, trust, loyalty and retention and which are very significant in the life of any organization (Sin et al, 2005; Gama 2011).

Notably, literatures and reports on service organizations have argued in favour of CRM adoption due to its strength to secure good marketing performance and subsequent positive returns on investment (Abdullateef et al., 2012; The Asia Banker, 2010). These various arguments are hinged on the ability of the CRM to make communication, and interaction between customers and service organizations like banks to be effective as technological channels such as faxes, Point of Sales (POS), Automated Teller Machines (ATM), internet and web facilities, e-mails and so on have made adoption of CRM a widely accepted strategy among service firms (Abdullateef et al., 2012; Sanda & Arhin, 2011; The Asia Banker, 2010).

Furthermore, the widely adoption of CRM has also afforded many organizations to develop strategies for understanding the customers through appropriate orientation, knowledge management, appropriate organization, and technology which bring about appropriate solutions to many of the challenges of their customers (Abdullateef et al, 2011; Sin et al, 2005; Yim et al, 2005). However, majority of the CRM literatures have ignored the dysfunctional form of CRM which revolves round inappropriate behaviors of service personnel towards customers and non involvement of customers while executing this business strategy (Fatima & Razzaque 2012; Frow, Wilkinson, and Young, 2011). These critical issues no doubt will bring about some misconceptions about CRM implementation and will
subsequently lead to dissatisfaction and disloyalty among the customers with its negative multiplier effects on the general performance of the organization.

In view of the above, many authors have articulated and seriously called for proper application and implementation of CRM in the service industry like banking. They advocated that when the CRM is well implemented it will bring about customer satisfaction and loyalty and which will eventually impact on financial performance (Akroush et al., 2011; Frow et al., 2011; Sin et al, 2005 and Yim et al., 2005). In fact, Fatima et al.(2011) argue that for satisfaction and loyalty to be highly enhanced, the customers must be involved at all stages of relationship management as such participation and involvement will lead to satisfaction, trust and loyalty.

**Current issues affecting Malaysian Banking Industry.**

Banking is one of the major industries that form the basis of economic foundation of any Nation. Its roles involve majorly deposit mobilization and safe keeping, financial intermediation, and other related financial and non financial functions (Bank, T. C., Act, T., & Bank, C. 2009)). This is achieved through different products and services they designed and often rolled out for the benefits of their numerous customers. The contribution of the banks towards the revenue and employment generation of any Nation like Malaysia is also substantial as part of their income is contributed as tax to the pocket of the government (Bank, T. C., Act, T., & Bank, C., 2009))

However, various literature and reports have noted some issues especially in the application and implementation of CRM while banks are rendering their services. These issues are leading to high customers’ dissatisfaction and disloyalty among the customers (Ernst and Young, 2012; Frow et al, 2011; The Asia Banker, 2010). Frow et al, 2011 for instance argue that some of these issues which involve service failure, neglect of relationship, customer exploitation, confusion, intrusion of customer privacy, favoritism of key customers and so on are capable of leading to customer dissatisfaction and subsequently to disloyalty. In fact, Ernst and Young (2012) found that overall confidence of customer in the banking sector globally has kept falling with over 40% of the customers loosing trust due some malpractices on the part of some banks. In fact the company further found that 91% of Malaysia banks customers keep several accounts with many banks which imply that the customers do not have absolute trust in their primary banks.

In line with the above, Fatima et al, 2012, however, argued and found that for the effect of such issues to be reduced, and for the relationship management to be effective, customer involvement must be enhanced as this will bring about customer satisfaction and loyalty. In their arguments, they found that some relational advantage such as social, confidence, and special treatment benefits will not only trigger active involvement of the customers; it will equally give them sense of fulfillment and satisfaction. This discovery is in line with the major findings of Ernst and Young (2012) who also found that 47% of Malaysia banks customers want some loyalty programs that will offer cash rewards while 49% have even registered for one loyalty campaign or the other.

**Concept of Customer Satisfaction, Loyalty and Trust as a moderating variable in Banking**

**Customer Satisfaction:**

Banks belong to the service industry and just like any other organizations they want to retain their customers at all cost by providing products and services that will secure the customer satisfaction and subsequent loyalty which will later result to profitability. However, customers of the contemporary are almost insatiable as their needs are heterogeneous in nature (Fornell, Johnson, Anderson, Cha & Bryant, 1996). Fornell et al (1996) further conceptualized that customer satisfaction is based on three antecedents of perceived quality, perceived value and customer expectation. The perceived quality is based on two parameters of personalization and reliability of offering; perceived value on quality of
product and price paid while customer expectation is based on comparism of his experience before and after consumption of goods or service.

In view of the above, many authors have therefore argued in favour of customer satisfaction concept as being capable of securing repeated patronage and enhance business commitment (Vasudevan, Gaur, & Shinde, 2006). Sharma and Patterson (2000) further argue that satisfaction is that critical evaluation being done by the consumer of a product or service after he or she has enjoyed the offer. Ranaweera and Prabu (2003) also conceptualized that customer satisfaction has to do with positive emotion and the belief that the banks will offer products that will evoke contentment in the course of relationship. Mascarenchas, Kesavan and Bernacchi (2006) are of strong position that customer satisfaction made the customers to be emotionally attached to all offerings and company’s brand. Vasudevan et al. (2006) in their finding and which corresponds with the contributions of other researchers validated that customer satisfaction is a strong determinant of loyalty which can lead to referrals.

Customer loyalty:

Customer loyalty in banking just like any organization is crucial for the organization survival especially with the high rate of competition among banks. It is often associated with brand and where brand represents what the company stands for in terms of a name, product, service, symbol, price and so on and which often demarcates one service provider from another (Macarenchas et al, 2006). Customer loyalty is a concept that often leads to consistent and repeated brand buying behaviour in spite the presence of competitors with better offers (Macarenchas et al, 2006; Jumaev, Kumar M. & Hanaysha, 2012). When a customer is therefore loyal, there is every tendency for him or her to continue to renew contracts, refers his preferred brand to friends and colleagues, and perhaps stays with his company forever (Jumaev, 2012). It is important therefore for Banks to monitor loyalty level of their customers in order to prevent switching as it costs less to retain a loyal customer that to win a new one.

Trust as a moderating variable:

Trust is the bedrock and foundation upon which banking relationship is built. Trust is also recognized as an important construct which can moderate relationship between satisfaction and loyalty in any relationship especially if the parties involved in the relationship are truthful and deliver their promises according to transaction agreement (Ranaweera & Prabhu 2003; Aydin & Ozer, 2005). Since banking is essentially about trust therefore, the likelihood that customers of the bank will be satisfied will be highly moderated by the extent to which their banks for instance perform banking transactions according to agreement. It has been argued by several authors that a satisfied customer is not necessarily a loyal customer as he or she can still defect to other trusted service provider especially when the customer discovers that his primary service provider lacks trust (Ranaweera & Prabhu 2003; Caceras and Paparoidamis, 2007).

A Structural Model and Direction of Research Hypotheses

From the review of various literatures, conceptual and qualitative analysis of various authors, below is the proposed model for this paper. The model is supported with theoretical analysis linking the CRM dimensions, customer satisfaction, customer loyalty and trust as a moderating variable.
Figure 1: Research Model

**Relationship between CRM dimensions, Customer Satisfaction, Customer loyalty and Trust as a moderating variable.**

**Customer Orientation**

CRM as previously defined would not be successful without the appropriate orientation about the needs of the customers. Since customers are the pivotal engine of any organization, it is essential therefore that their needs are taken into consideration through a key focus that aims at delivering repeatedly excellent service that adds value (Abdulateef et al., 2012; Sin et al, 2005). It is only by anticipating, delivering and exceeding customer expectation through quality products/services and appropriate feedback that organizations can implement CRM successfully (Mohammad, Rashid & Tahir, 2013; Dean, 2007 and Eid 2007). Mohammed et al assert that a deep and proper customer-oriented behavior will lead to satisfaction and subsequent loyalty. Frow et al (2011) found that appropriate feedback in CRM implementation will reduce the dysfunctional of CRM and its ‘dark side’ taken care of while customer satisfaction and loyalty will be enhanced.

**CRM Organization**

CRM organization implies that the entire organization is conducive for and inclined towards the CRM implementation. Its broad implication is that the whole organization is systematically built and
designed through efficient and effective formation of structure, teams, processes, human capital management, communication, and deployment of other organization’s resources to achieve customer satisfaction and loyalty (Sin et al, 2005, Yin et al, 2005). For instance, Mohammed et al, (2013) argued that for customer orientation to be positively displayed by the employee, the organization must provide necessary tools and technology to enhance performance. Extant literature over the years have therefore suggested that organizations should address the issues of challenges that are revolving round implementations of CRM as various authors have tested and found that appropriate CRM implementation have positive impact on customer satisfaction and loyalty (Abdullateef et al 2012).

**Knowledge Management**

The essence of knowledge management in CRM is to ensure that all round information (360-degree customer view) about the customer is gathered through interactive “touch points” such as ATMs, POS, Teller point, data mining, telephone system, Chat groups, Interactive voice response, facsimile transmission, electronic data interchange, Voice over internet, Web sites and e-mail all these means in order to manage the customers’ needs as well as share such information with all those that may need the information within the organization for decision making (Yim et al, 2005). The information gathered here is also used to develop a learning relationship with customers and through which competitive advantage can be developed (Abdullateef et al, 2012). Various authors have therefore argued and found that when this dimension is appropriately managed, it is capable of enhancing customer satisfaction and loyalty. It is therefore essential for banks to equip their employees with necessary instruments so that they may possess adequate knowledge about their customers as this affect positive provision of services.

**CRM based Technology**

Banks have different touch and interaction points such as ATM, POS, Cashier points, web, internet, data mining and warehousing facilities, call centers, which are technologically enabled. These facilities help organizations to mine and process customer data and which can be used to predict customer’s behavioral pattern (Yin et al, 2005). The same technology can be used to improve marketing intelligence performance of company as value can be added to customer service through customization of needs which can lead to satisfaction and loyalty (Abdulllateef et al, 2012; Kyootai & Kailas, 2007 and Sin et al, 2005).

**Customer Involvement**

Bank organizations are unique from other industries due to personal and interpersonal service they are rendering to their customers. This trend makes customer involvement in CRM implementation and other activities of the banks to be highly required as this will bring about satisfactory encounters and reduce dysfunctional form of CRM (Fatima et al, 2013; Frow et al., 2011; Leverin & Lilijander, 2006 and Ndubisi & Wah, 2005). These positions can further be upheld and supported with cognitive economy theory that was proposed by Wyer and Srull (1986) and cited by Fatima et al (2013) which states that “consumers are ‘‘cognitive misers’’ who try to minimize the search and information processing tasks required for decision making if possible”. Based on the premise of this theory, and the previous findings of various authors, one can assume that when customers are highly involved in Customer Relationship Management they will likely develop satisfaction especially if their expectations are met and which may subsequently lead to loyalty. In the context of banking, it can also be expected that customers will think themselves as a part of the bank when they are more involved with different banking activities. In fact the provision of relational benefits such as confidence, social and special treatment benefits were found to trigger customer involvement and which subsequently lead to satisfaction and loyalty (Fatima et al, 2013).

Based on the previous discussions, major conceptual and empirical findings of authors which have established that CRM has the capacity to improve the marketing performance of banks, this research hereby postulates the following hypotheses:
H1: Customer Orientation of the bank is positively related to customer Satisfaction
H2: CRM Organization of the bank is positively related to Customer Satisfaction.
H3: Knowledge Management of the bank is positively related to Customer Satisfaction.
H4: CRM Technology of the bank is positively related to Customer Satisfaction.
H5: Customer Involvement of the bank is positively related to Customer Satisfaction
H6: Customer Orientation of the bank is positively related to customer loyalty
H7: CRM Organization of the bank is positively related to customer loyalty
H8: Knowledge Management of the bank is positively related to customer loyalty
H9: CRM Technology of the bank is positively related to customer loyalty
H10: Customer Involvement of the bank is positively related to Customer Loyalty
H11: Customer satisfaction of the bank positively mediates between customer orientation and Customer Loyalty.
H12: Customer satisfaction of the bank positively mediates between Knowledge Management and Customer Loyalty
H13: Customer satisfaction of the bank positively mediates between CRM organization and Customer Loyalty.
H14: Customer satisfaction of the bank positively mediates between CRM technology and Customer Loyalty.
H15: Customer satisfaction of the bank positively mediates between customer involvement and Customer Loyalty.
H16: Customer satisfaction of the bank positively mediates between CRM dimensions and Customer Loyalty.
H17: Customer Trust of the bank positively moderates between customer satisfaction and Customer Loyalty.

**Conclusion**

Having considered different theoretical and practical arguments in respect of CRM implementation and its implication on the marketing performance of banks, it becomes obvious that that there are still some salient issues to be considered if banks management will reap the full benefits of CRM. Consequently, various authors and consulting firms have published relevant literature and reports and stated that for CRM as a business strategy and philosophy to be effective, a holistic view and application of CRM must be done where the five dimensions discussed in this paper must be taken into consideration. Part of the reports equally emphasized that for satisfaction to lead to loyalty, banks must be communicate truthfully in their interaction with their customers as this will encourage the customers to develop trust and confidence in the banks thereby refrain from keeping multiple bank relationships.
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Relationship Marketing Dynamics, Customer Satisfaction And Customer Loyalty In Retail Banking: The Role Of Long-Term Orientation Culture And Service Recovery

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Abstract

Extant literature has amply reported the associations between relationship marketing dynamics, customer satisfaction and customer loyalty. However, these reports are contradictory and thus, inconclusive. Meanwhile, past studies have argued extensively on the influence of individual customer values on perception, decision making and buying behaviour. Yet, very little is known of the interaction effect of long-term orientation culture on the link between trust, bonding, communication, personalization and customer satisfaction in retail banking sector. Similarly, while several studies have documented the significant effect of customer complaints on customer loyalty, there is no noticeable research evidence on the intervening effect of service recovery on the relationship between customer complaints and customer loyalty. To fill these gaps, this conceptual paper is written.

Key words: Banking industry, Customer complaints, Customer loyalty, Customer satisfaction, Long-term orientation, Relationship marketing dynamics, Service recovery

1.0 Introduction

In the last three decades, service marketing scholars and researchers have made concerted efforts to find a viable solution to the marketing challenges posed by stiff competition, technological advancement and cultural diversity, and have identified relationship marketing (RM) as the most strategic approach to the challenges (Berry, 1995; Gronroos, 1990, 1994; Gummeson & Gronroos, 2012; Morgan & Hunt, 1994). The notion of RM hinges on classical social exchange theory (Coelho & Henseler, 2012; Hunt, Arnett & Madhavaram, 2006; Morgan & Hunt, 1994). The basic assumption of Social exchange theory is that parties voluntarily enter and maintain relationships on the expectation that such relationships will pay back both economically and socially (Blau, 1960; Thibaut & Kelley, 1959). RM is defined as all marketing activities directed towards establishing, developing and maintaining successful relational exchanges (Morgan & Hunt, 1994).

Social exchange and RM theories emphasize building and maintaining long-term relationship between sellers and buyers for sustainable competitive advantage and sustainable value added products in favour of the firm and its customers respectively (Gronroos, 1990a). The key outcome of RM is customer loyalty and its attendant efficiency and profitability enhancements (Gronroos, 1994; Gummeson, 1994). Due to the anecdotal and empirical evidence of the strategic role of marketing in banking, the global banking community have embraced marketing tools and techniques such as product positioning in Australia (Kaynak & Whiteley, 1999), market segmentation in US (Kaynak & Harcar, 2004), branding in UK (Papasolomou & Vrontis, 2006) and deposits security in Germany (Hoffmann & Binbrich, 2012) among others.
Several studies have reported significant relationships between RM dynamics of trust (e.g., Armstrong & Seng, 2000; Caceres & Paparoidamis, 2007; Kantsperger & Kunz, 2010; Morgan & Hunt, 1994), bonding (e.g., Geddie, Defranco & Geddie, 2005; Hau & Ngo, 2012; Narthe, Agbemabiese, Kodua & Braimah, 2013), communication (e.g., Chen, Shi & Dong, 2008; Ehiobucher & Khan, 2012; Halimi et al., 2011; Naoufi & Zaiem, 2010; Narthe et al., 2013; Ndubisi, 2007; Ndubisi et al., 2007; Ndubisi & Wah, 2005), personalization (e.g., Claycomb & Martin, 2001; Coelho & Henseler, 2009; Halimi, Chavosh & Choshali, 2011; Kishoke & Ankita, 2011; 2009 Winstead, 1997), customer satisfaction and customer loyalty. However, the findings of these studies are mixed and thus, inconclusive. Similarly, many studies have reported significant effect of customer complaints (e.g., Awwad, 2011; Fornell, Johnson, Anderson, Cha & Bryant, 1996; Zeithaml, Berry & Parasuraman, 1996) and service recovery (e.g., Boshoff, 1999; Boshoff & Leong, 1998; Dewitt, Nguyen & Marshall, 2007; Kitapci & Dortyol, 2009) on customer loyalty. Yet, service recovery application is not quite understood in the banking sector (Kumunda & Osarenkhoe, 2012). Furthermore, our literature review reveals a near absence of research on the intervening role of service recovery on the relationship between customer complaints and customer loyalty in retail banking. To the best of the researchers’ knowledge, no previous study has either conceptually or empirically address the suggested moderation and mediation.

2.0 Literature Review

2.1 Customer Loyalty

Customer loyalty, defined as strongly held commitment to a product or brand in a manner that the customer desires to patronize and buy the product consistently in the future without resort to switching factors and marketing appeals (Oliver, 1997, 1999). The author argues that the concept consists of two main components, namely behavioural and attitudinal and that loyalty has four stages (Oliver, 1997). Attitudinal loyalty in particular grows through three phases (i.e cognitive, affective and conative) and that action or behavioural loyalty develops after the passage of the three stages (Oliver, 1997). Oliver (1999) described this action as the dream of the business. However, Evanschitzky & Wunderlich (2006) noted that action does not automatically leads to buying since not all intentions are translated into action. Thus, Beerli, Martin & Quintana (2004) distinguished between true brand loyalty and loyalty based on inertia. True brand loyalty constitutes the target of retail bank customer relations (Beerli, et al., 2004).

This paper uses six items adapted from four sources (Beerli et al., 2002; Caceres & Paparoidamis, 2007; Ehigie, 2006; Zeithaml et al., 1996) to measure customer loyalty, using 5 points Likert-type scales anchored on 1= strongly disagree and 5= strongly agree. In the retail banking industry, the tenure of the relationship between banks and their customers is naturally long (Leverin & Liljander, 2006; Santonen, 2007). The practice in the banking industry and other financial houses has been a deliberate and calculated approach to establishing long-term relationship consistent with efficiency building and long-run profitability even though researchers do not agree on the rationale for such tendency (Hamidizadeh, Jazani, Hajikarami & Ebrahimi, 2011). Long-term loyalty is the focus of this research because it is better for retail banks in Nigeria and elsewhere to nurture enduring relationships with their customers particularly given the stiff competition that characterized the banking landscape (Ehigie, 2006).

2.2 Trust

It has been argued that effective services marketing depends on the management of trust because the customer typically must buy a service before experiencing which is particularly true in banking arena (Kantsperger & Kunz, 2010; Caceres & Paparoidamis, 2007). Trust is conceptualized to exist when one party has confidence in the reliability and integrity of an exchange partner (Morgan & Hunt, 1994). This paper measures trust using six items adapted from four sources (Alvarez et al., 2011; Chattananon & Trimitsoontorn, 2009; Morgan & Hunt, 1994; Ndubisi & Wah, 2005) using five point Likert scales anchored by 1= strongly disagree and 5 strongly agree.
Past studies have revealed significant relationship between trust and customer loyalty. For example, Morgan and Hunt (1994) investigated the strategic influence of trust and commitment on the success of RM in the context of US tire dealers and retailers industry and found that trust strongly predict customer loyalty. This finding was supported by Claycomb and Martin (2001) who discovered that 80 per cent of American consumers consider trust as the major factor in deciding to go into relationships with marketers. In addition, the role of trust in the successful execution of RM strategy in the context of retail travel agencies of Spain was examined by Casielles et al. (2005). In the same vein, trust was found to predict customer satisfaction and loyalty in the context of advertising agencies of France (Caceres & Paparoidamis, 2007), banking sector of Malaysia (Ndubisi, Wah & Ndubisi, 2007), banking sector of Germany (Kantsperger & Kunz, 2010) and telecommunication industry of Taiwan (Liu, Guo & Lee, 2011). The findings of the study suggest that trust has a positive effect on customer loyalty and the success of RM in general. In the light of the preceding, this paper hypothesizes as follows:

H1 Trust is significantly related to customer loyalty

H2 Trust is significantly related to customer satisfaction

2.3 Bonding

Building viable bonds, defined as the development of emotional, psychological, economic or physical attachments of two parties acting in a unified manner towards a common destination (Chattananon & Trimetsoontorn, 2009; Narteh, et al., 2013) is one of the primary objectives and success factors of RM (Lambe et al., 2001; Sin, Tse, Yau, Chow, Lee & Lu, 2005b). In this paper, bonding is measured by four items adapted from two sources (Chattananon & Trimetsoontorn, 2009; Hau & Ngo, 2012), using five points Likert-type scales anchored by 1= strongly disagree and 5= strongly agree. Previous relational studies have shown significant relationship between bonding, customer satisfaction and loyalty. For example, Chiu, Hsieh, Li & Lee (2005) reveal that financial, social and structural bonds predict customer loyalty of the different customer groups. In a related study, Robinson, Abbott and Shoemaker (2005) analyzed the role of emotional bonds in the context of fast-service restaurants in US and show that business name, logo, aroma and light could be used by restaurants to create emotional bonds in the minds of their customers which will make them satisfied and loyal to the business.

In a related work, Chattananon and Trimetsoontorn (2009) explored the effect of bonding among other RM dynamics in Thailand through a survey of 166 sales persons and 15 sales managers. The authors conceptualized RM from the perspective of supplier-customer tie as creation and maintenance of relationship between two parties. The findings of the study reveal that bonding, rather than trust has greater influence on customer loyalty. A similar result was obtained by Narteh et al. (2013) in a study involving 300 customers in the context of luxury and 5-star hotels in Ghana. Accordingly, we hypothesize as follows:

H3 Bonding is significantly related to customer loyalty

H4 Bonding is significantly related to customer satisfaction

2.4 Communication

Communication, defined as the ability of a business partner to provide information that is timely and trustworthy (Ball, Coelho & Velares, 2006) tend to align goals of and minimize conflicts between partners in exchange (Morgan & Hunt, 1994). By telling the customers about the efforts being made by bank to rectify mistakes and improve services, conflicts are minimized (Ndubisi & Wah, 2005). The concept of communication is measured in this paper by four items adopted from four sources (Hau & Ngo, 2012; Narteh et al., 2013; Ndubisi et al., 2011; Morgan & Hunt, 1994) on five point Likert-type scales anchored by 1= strongly disagree and 5= strongly agree. Previous studies have
discovered that communication predict customer loyalty significantly. For instance, the role of communication in predicting customer loyalty was assessed by Ball, Coelho and Machas (2003) discovered that communication has three direct significant effects; on satisfaction, loyalty and on trust.

Similarly, the multi-mediating effects of communication on RM dynamics and customer loyalty in the context of high credence services of Hong Kong was reported by Chen, Shi and Dong (2008). Findings reveal that communication affect trust and satisfaction and customer loyalty in the right direction which support earlier discovery by Morgan and Hunt (1994). In the same vein, Naui and Zaiem (2012) examined the influence of communication among other RM dynamics in the context of pharmaceutical sector of Tunisia. The outcome of the research suggests that communication has a positive effect on customer loyalty.

The influence of relationship dimension of communication together with other tactics on transaction cost and customer loyalty was investigated by Cheng and Lee (2011) in the context of Taiwan. The findings show that communication, among other relational dynamics, has significant positive effect on customer satisfaction and loyalty but negative effect on perceived risk, because as reported by Narteh et al. (2013) communication provides the stimuli that can modify customer behaviour to think positively about goods and services and their producers. In view of the above, the paper hypothesizes as follows:

H5 communication is significantly related to customer loyalty

H6 Communication is significantly related to customer satisfaction

2.5 Personalization

Growing literature evidence in relationship marketing is pointing at service personalization as one of the most striking relational dynamics in predicting customer loyalty, competitiveness and profitability (Ball et al., 2006). Personalization is conceptualized as the customization of certain components of a service product or its delivery by means of providing for the special needs of every individual customer (Claycom & Martin, 2001). In this paper, personalization is measured using four items adapted from three sources (Coelho & Henseler, 2012; Ndubisi et al., 2011; Winsted, 1997) using five point Likert-type scales anchored by 1 = strongly disagree and 5 = strongly agree.

In the financial service sector, Huang and Lin (2005) have empirically found that personalization produces customer loyalty. Similarly, the influence of personalization on customer satisfaction and customer loyalty was discovered by Ball et al. (2006) to have direct significant effects on bank customer satisfaction and loyalty in Portugal. Personalization was also found to influence customer choice and behaviour in the America and Japan (Winsted, 1997). On the basis of the above literature evidence, the paper sets the propositions below:

H7 personalization is significantly related to customer loyalty

H8 Personalization is significantly related to customer satisfaction

2.6 Customer Satisfaction

Accordingly, Oliver (1980) construed satisfaction as evaluation of the perceived mismatch between prior expectations and the actual performance of the product. He also referred to it as pleasurable fulfilment (Oliver, 1999). This paper uses six items drawn from four sources (Armstrong & Seng,
to measure customer satisfaction, using five points Likert-type scale anchored on 1= strongly disagree and 5= strongly agree.

Previous studies have documented the impact of customer satisfaction on customer loyalty and customer complaints. For example, Hallowell (1996) discovered that customer satisfaction accounts for 37 percent of the variation in customer loyalty in the US, while in Singapore, customer satisfaction explains 74 percent of customer repurchase intention (Armstrong & Seng, 2000). Similarly, in Belgium, Netherlands and Finland, a study has revealed that car dealership loyalty to main supplier is a function of satisfaction and trust (Riel et al., 2011)). In the same vein, the influence of customer satisfaction on bank customer loyalty in Nigerian retail banks was assessed by Ehigie (2006). He discovered that customer loyalty could be improved significantly by implementing strategies that enhance customer satisfaction.

Also, the mediation effect of customer satisfaction on the association between RM dynamics of trust, bonding and customer loyalty was documented (e.g., Ball, Coelho & Vila, 2006; Caceres & Paparoidamis, 2007; Coelho & Henseler, 2012; Naoui & Zaiem, 2012). For instance, in the banking sector of Portugal, customer satisfaction was found to mediate the impact of service personalization on customer loyalty (Ball, Coelho & Vila, 2006). Similarly, it is revealed in Coelho and Henseler (2012) that customer satisfaction intervened on the relationship between personalization and bank customer loyalty in a Western European country. Furthermore, most customer satisfaction surveys (e.g. Awwad, 2011; Fornell et al., 1996; Johnson, Gustafsson, Andeasson, Lervic & Cha, 2001 ) have reported the mediation effect of customer satisfaction on the link between perceived quality, perceived value and customer loyalty. They have also validated the significant association between customer satisfaction and customer complaints. Hence, the paper put forward the following hypotheses:

H9 Customer satisfaction is significantly related to customer loyalty
H10 Customer satisfaction is significantly related to customer complaints
H11 Customer satisfaction mediate the relationship between trust and customer loyalty
H12 Customer satisfaction mediate the relationship between bonding and customer loyalty
H13 Customer satisfaction mediate the relationship between communication and customer loyalty
H14 Customer satisfaction mediate the relationship between personalization and customer loyalty

2.7 Possible moderation effect of Long-term Orientation

Culture, defined as pattern of assumptions, values and beliefs whose shared meaning is acquired by members of a community (Hofstede, 1980) is believed to refine an individual’s mind from social environment in which he/she is brought up and to impact his/her perception and attitudes (Kueh & Voon, 2007). In his seminal work, Hofstede (1980) identified what he called national culture to belong to four categories, namely individualism/collectivism, power distance, uncertainty avoidance and masculinity/femininity (Gelfand, Leslie & Fehr, 2008; Lai, He & Zhou, 2013). Later in 1991, Hofstede introduced the fifth category of culture, long-term orientation (Fang, 2003).

Literature has shown that long-term orientation is the least examined Hofstede’s culture dimension, perhaps because of its confucian origin (Fang, 2003). Nonetheless, it is the most relevant to relational dynamics because scholars have contended that trust and bonding are promoted by long-term orientation through emphasis on social sanctions (Coelho & Henseler, 2012; Hofstede, 1983). In effect, a customer who shares long-term orientation norms and values is more likely to choose long-term relationship with a bank and has greater tendency towards savings and investment than a
customer who shares short-term orientation culture (Hofstede, 1991; Kantsperger and Kunz, 2010; Narteh et al. 2013). Thus, five items adapted from a single source (Kueh and Voon 2007) are used in this paper to measure long-term orientation on five point Likert-type scales, anchored on 1= strongly disagree and 5= strongly agree.

Several studies have reported the influence of culture on customer perception and evaluation of service encounters, satisfaction and behavioural loyalty. For example, examining the effect of cultural diversity on service evaluation, Winsted (1997) discovered that satisfaction with service encounters was higher in US than in Japan. Similarly, in the contexts of Australia and Thailand, Patterson, Cowley & Prasongsukan (2006) discovered that cultural values of individual power distance, uncertainty avoidance and collectivism interact with a company’s service recovery to determine customer perception of justice. In the same vein, uncertainty avoidance and long-term orientation were found to influence service quality expectations in full service restaurants of Malaysia by Kueh and Voon (2007). From the preceding literature, what is evidently missing is a potential antecedent or moderating value orientation as argued by John, John & Baker (2011). Thus, this paper hypothesizes as follows:

H15 Long-term orientation moderate the relationship between trust and customer satisfaction

H16 Long-term orientation moderate the relationship between bonding and customer satisfaction

H17 Long-term orientation moderate the relationship between communication and customer satisfaction

H18 Long-term orientation moderate the relationship between personalization and customer satisfaction

2.6 Customer Complaints

Customer complaints have been construed as disputes or conflicts between customers and the service providers (Singh, 1998). In this paper, customer complaints is measured using four items adapted from three sources (Fornell et al., 1996; Santanon, 2007; Zeithaml et al.,1996)), using five points Likert-type scales anchored by 1= strongly disagree and 5= strongly agree. The significant effect of customer complaints on customer loyalty is well established in literature (Fornell et al., 1996; Zeithaml, et al., 1996). Extant literature posits that satisfied customers can create additional buyers for the business through positive words-of-mouth (WOM) and referrals (Awwad, 2011), dissatisfied customers may react differently such as switching, negative WOM or complain to the firm (Fornell et al., 1996). Thus, satisfied customers have tendency of becoming loyal (Awwad, 2011) and the dissatisfied customers tend to complain (Zeithaml et al.,1996) and if satisfied with Complain handling (i.e. service recovery), their loyalty is reinforced (Dewitt, Nguyen & Marshall, 2007; Kitapci & Dortyol, 2009). In the light of the above, the following hypotheses are made:

H19 Customer complaints is significantly related to customer loyalty

H20 Customer complaints is significantly related to service recovery

H21 Customer complaints mediates the relationship between customer satisfaction and customer loyalty
2.7 Service Recovery

Service recovery is conceptualized as the extent to which a customer is satisfied with a company’s transaction specific service recovery performance after service failure has occurred (Boshoff, 1999). To measure the concept, this paper drives four items from a single source (Webster and Sundaram (1998)), using five point Likert-type scales anchored by 1= strongly disagree and 5= strongly agree.

In spite of the ample empirical evidence of the role of satisfaction in predicting customer loyalty (Armstrong & Seng, 2000; Ehigie, 2006; Kantsperger & Kunz, 2010), there are equally literature evidence showing otherwise (Leverin & Liljander, 2006). Many bank. A possible explanation could be that the customers’ complaints are ignored or customers are not satisfied with complaint handling (Fornell et al., 1996). Further, the impact of service recovery on customer loyalty has been reported in several studies (e.g., Boshoff, 1999; Dewitt et al., 2007; Kitapci & Dortyol, 2009; McCollugh et al., 2000; Orsingher, valentine & Agnes, 2010). However, service recovery is not yet understood in retail banking (Kumunda & Osarenkhoe, 2012) may be because the concept started receiving serious research attention only in 2000 (MacCough, Berry & Yavad, 2000). From the above literature review, it is evident that the mechanism or process by which customer complaints predict customer loyalty is explained by service recovery (Boshoff, 1999). Put differently, customer complaints predict customer loyalty through the intervening effect of service recovery (Boshoff & Leong, 1998). Accordingly, the paper suggests the following hypotheses:

H22 Service recovery is significantly related to customer loyalty

H23 Service recovery mediates the relationship between customer complaints and customer loyalty

3.0 Proposed Research Framework

On the basis of the above literature review and discussions, this paper arrives at the research framework depicted on figure 1.0 below, demonstrating that relational dynamics of trust, bonding, communication and personalization lead directly to customer loyalty in retail banks (Casielles, Alvarez & Martin, 2005; Gummeson & Gronroos, 2012; Morgan & Hunt, 1994; Ndubisi et al., 2011) as well as indirectly via customer satisfaction (Armstrong & Seng, 2000; Coelho & Henseler, 2012; Kantsperger & Kunz, 2010). However, it is also documented that relationship marketing dynamics are incapable of producing the desired customer satisfaction (Hau & Ngo, 2012) and customer loyalty (Liverin & Liljander, 2006; Oliver, 1997). Thus, whether or not RM is sufficient to warrant bank customer satisfaction and subsequent loyalty depends on individual customer value orientation. In effect, the research framework suggests that long-term orientation culture moderates the relationship between trust, bonding and customer satisfaction. The framework also demonstrates the intervening effect of service recovery on the relationship between customer complaints and customer loyalty, meaning that in retail banking, the impact of complaining behaviour on customer loyalty is conceptualized and explained by service recovery.
TR = trust, BN = bonding, COM = communication, PER = Personalization, LOC = long-term orientation, CS = customer satisfaction, CC = customer complaints, SR = service recovery, CL = customer loyalty.

4.0 Limitation and Direction for further studies

The conceptual nature of this work is its major limitation. Hence, the authors will empirically validate the proposed model subsequently. Future studies may examine the moderating role of masculinity and femininity on the link between trust, bonding and customer satisfaction.

5.0 Conclusion

An overview of this conceptual paper reveals that in spite of the several studies on the effect of RM dynamics on customer satisfaction and loyalty, very little is known of the suggested contingent role of long-term orientation culture and intervening effect of service recovery because the mechanism and process by which customer complaints predict customer loyalty is neither modelled nor validated by previous studies. Managerially, the conclusions from this paper may assist policy makers and bank managers to formulate strategies that integrate customer value orientation towards enhancing customer satisfaction and loyalty and employ service recovery approach that help mitigates the effects of customer dissatisfaction and service failure.
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Assessing Students’ Exercise in Sales Pitching: A Preliminary Study

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ABSTRACT

Experiential learning is learning that comes from doing, and provides advantages over the traditional delivery of lectures. The hands-on learning approach and the experience of carrying out (for example, through role play) an assigned exercise can help students internalize concepts they learn in class. Many students find experiential learning a fun exercise that enhances their classroom experience. This paper details the nature of an experiential exercise examined in two courses in an undergraduate degree program, namely, Salesmanship, and Industrial Marketing. During the semester, the experiential exercise involved every student in an assignment, carried out individually, that gave them the experience of attempting to sell a product or service to potential customers through a sales pitching. Assessment was divided into two separate parts, for: (i) the sales pitching, and (ii) oral presentation. For the sales pitching, students were assessed on whether he/she was able to match certain features of the product to the customer’s advantage. While for the oral presentation, a rubric was utilized to assess students on eight criteria: organization, subject knowledge, visual aids, eye contact, pronunciation, clarity of voice, confidence, and attire. Students were scored on four levels of performance, with a score of 1 (Below basic), 2 (Basic), 3 (Proficient), and 4 (Advanced). The study showed that students who were taught and discussed, as part of their syllabus, the topic of salesmanship, performed better than their counterpart who were only given a little guidance. Results of the sales pitching provide evidence that selling can be learnt.

KEYWORDS: experiential exercise, sales pitching, oral presentation, rubric

1. INTRODUCTION

Experiential learning emphasizes the central role that experience plays in the learning process (Sternberg and Zhang, 2000). University instructors are encouraged to incorporate realistic learning situations to allow their students the opportunity for training and development (Chan, 2012; Ramburuth & Daniel, 2011). Experiential learning enhances the learning-teaching process by creating opportunities for faculty and students to interact in a personalized manner (Heinz, 2013; Hickcox, 2002) and students were reported to prefer learning activities that can be described as experiential (Hawtrey, 2007).

Today’s business is becoming more competitive where buyers are becoming more well-informed, gathering product information from multiple sources including those available on the internet before actually making their purchase. The information endows the client to strengthen their negotiable position. As such, traditional sales representatives are advised to add value or end up becoming
endangered (John Keiser, OneCoast CEO)\(^1\). As such a successful sale person must recognize that price is not the only motivating factor, but the value that the product brings to the customer.

Perhaps one of the greatest myths is the idea that good salesmanship is born, not made. Others believe that if you have the gift of the gab, then a salesman could probably sell anything to anyone, including ice to Eskimos. Salesmanship and other marketing concepts are being taught in university classrooms across the globe. In classrooms, instructors help students understand that to making a successful sale involves several steps: identifying and understanding the client’s needs or problems, developing a mutually satisfying, value-added solutions to those needs or problems and by adopting a customer-orientation, salespeople can create long-term relationship (Clarke and White, 2010).

A sale is a learning process (Venkatesh, 2013). Therefore selling can be taught in a classroom. This paper attempts to examine the performance of two groups of students required to pitch a sale of a product, with only one of the two groups being taught the art of salesmanship. Students were taught and discussed topics concerning salesmanship, defined as “the art of winning hearts of consumers to dispose the firm’s products and services”. Students who learnt salesmanship as part of their course syllabus were enrolled in a Salesmanship course, while the second (control) group were enrolled in an Industrial Marketing course. Both courses were taught by the same instructor who adopted an experiential learning approach to assessing students in these marketing courses.

2. DESCRIPTION OF THE PROJECT ASSIGNMENT

The BPMM3063 Industrial Marketing and the BPMM3173 Salesmanship courses are core courses designed for marketing majors in the Bachelor of Marketing with Honours degree programme\(^2\). There are thirteen core courses (which carry a total of 39 credit hours) which are requirements for graduation for the degree programme\(^3\). Students normally register for the Industrial Marketing course in their fifth semester, while the Salesmanship course is taken in their sixth semester. Both courses require the basic BPMM 1013 Principles of Marketing course as a pre-requisite.

Students in both the Industrial Marketing and Salesmanship courses were assigned a similar project assignment. For the assignment, students were required to work individually where each student was required to do a “sales pitch” of a product or service to a panel of judge(s) and their colleagues. Each student was allowed to deliver the sales pitch for 80 seconds in either the English language or Bahasa Malaysia\(^4\), whichever he/she preferred.

Students in the Industrial Marketing course were not exposed to any formal discussions on the topic of selling or pitching a product as it was not part of their course syllabus. Nonetheless, some guidelines and coaching were given to them before the actual sales pitching. However, students in the

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\(^2\) The Bachelor of Marketing with Honours degree programme is introduced “to create managers, leaders, and professionals who are knowledgeable and skilful in business and marketing, are innovative, and ethical, as well as able to apply the learned knowledge and business and marketing skills.” While its programme aims are as follows: (i) Apply concepts, theories and marketing practices to generate ideas and excellent marketing strategies, (ii) Utilizes knowledge, skill, and methods to become an effective and excellent marketer or marketing professional, and (iii) To face and handle challenges in the marketing and business world (source: www.cob.uum.edu.my)

\(^3\) Core courses in the Bachelor of Marketing with Honours degree programme include Introduction to Marketing, Marketing Management, Consumer Behaviour, Sales Management, Marketing Research, Marketing Strategies and Analysis, International Marketing, Industrial Marketing, Service Marketing, Integrated Marketing Communication, Salesmanship, Brand Management, and Seminar in Marketing.

\(^4\) Bahasa Malaysia is the national language of the country. Although classes are conducted in the English language students are given the choice to deliver their presentation in either language.
Salesmanship course were taught and discussed the steps involved in how to deliver a good sales pitch as part of their syllabus.

Each student was assessed on two distinct areas: (i) his/her ability to pitch the product or service, and (ii) his/her oral presentation skills. For the sales pitch, the student was expected to be able to explain the benefits/advantages of the product or service, along with its features, price, and other relevant information which the student felt was necessary to close a sale. For the oral presentation, students were assessed on four levels of performance, ‘Below basic’, ‘Basic’, ‘Proficient’, and ‘Advanced’ for eight criteria: (i) Organization, (ii) subject knowledge, (iii) visual aids, (iv) eye contact, (v) pronunciation, (vi) clarity, (vii) confidence, and (viii) attire.

3. THE PREPARATION

3.1 Teaching the Skills

Topics pertaining to how to deliver a good sales pitch were discussed over several class meetings before the actual sales pitch in the Salesmanship course. For this assigned sales pitch, students can follow the seven steps briefly outlined below:

1. Prepare.
   - Research. Preparation begins from researching about the product to gain product knowledge.
   - Know the product. Knowledge about the product and the advantages/benefits that it gives to the customer will give confidence and show that you know what you are talking about.

2. Start off by building rapport. Build some rapport with the customer before you get into the pitch.

3. Greet the prospective customer in the right way.

4. Get to the point.

5. Make the presentation look professional.

6. Have a clear message. Make sure the message you want to convey comes through to the audience.

7. Close the deal. A good way to do this is to run through the benefits of what you are selling and the solution it will provide to meet customer needs.

Students were also reminded to make the sales pitch a two-way conversation and not a lecture. This can easily happen if the student becomes nervous and wants to finish his/her sales pitch quickly. They were also advised to practice the pitch and, armed with product knowledge, to be able to internalize and use it in a natural conversational way. The salesperson is more likely to succeed if he/she pitches with the idea that he/she is going to have a conversation and build a relationship with the prospect instead of “just going to talk, talk, talk, and make the sale” (Smith, 2013). They should not be reading from notes but delivering the message clearly to the customer. Students should strive to create an emotional reaction with the customer(s). Furthermore, developing trust, understanding and being honest is a key essential in the delivery.

3.2 Presentation Stage

In this stage, the salesperson (students) presented his/her product and gave the prospect the opportunity to make a decision to purchase the product. The product was explained in detail including its features and advantages. The presentation sessions were videotaped and reviewing of the videotapes will allow the students to internalize these skills so that they appear natural.
4. RESULTS

A similar desired achievement target for both courses was also established to assess the students’ performance in their oral presentation, with at least 75% of the students would achieve the level of ‘Proficient’ and above for all criteria.

4.1 The Sales Pitch

Fifty-five students in the Salesmanship, and 69 students in the Industrial Marketing courses were involved in the class assignment. Of the total number of 124 students, a majority of the students completed their sales pitching within the allocated 80 seconds.

Students chose a variety of products for the sales pitch and highlighted features of the product which they felt would benefit the prospect. Products included power banks, portable wifi modem, cordless mouse, printers, branded hand phones, smartphones, rechargeable mobile battery bank, and iPads. In selecting food items, students decided to take the issue of health seriously and pitched products such as health drinks, health foods, and natural/organic vitamins/supplements. Students proved their awareness of being environmentally-friendly by pitching “eco” water bottles, and “eco” air cooler.

A few female students used the tropical climate with its unpredictable showers and hot weather to their advantage when pitching their product, the umbrella. The umbrella is used not only to shelter from rain, but which can also, according to their sales pitch, “be used for self-defense”. A few novelty items were also pitched such as water pillow, electric knead comb, thermoelectric-powered “smart” mug, iRobot Roomba vacuum cleaning robot, pillow blanket, “spywatch”, LED watch, and “tangle teezer” hair brush.

4.2 The Oral Presentation

For the oral presentation of their sales pitching, a rubric was used to assess students on the following eight criteria: (i) organization, (ii) subject knowledge, (iii) visual aids, (iv) eye contact, (v) pronunciation, (vi) clarity of voice, (vii) confidence, and (viii) attire. Students were scored on four levels of performance, with a score of 1 (Below basic), 2 (Basic), 3 (Proficient), and 4 (Advanced).

Table 1 shows the assessment results for 69 students in the Industrial Marketing course. Results showed that for students in the course, the quality assurance target was achieved for the following criteria: (i) organization, (ii) Subject knowledge, (iii) eye contact, (iv) clarity of voice, (v) attire, where more than 75% of students scored ‘Proficient’ and above in these criteria. However the target was not achieved for the following three traits: visual aids, pronunciation, and confidence.

Table 1: Assessment results for oral presentation in the course BPM3063 Industrial Marketing (N = 69)

<table>
<thead>
<tr>
<th>Evaluative criteria</th>
<th>Below basic</th>
<th>Basic</th>
<th>Proficient</th>
<th>Advanced</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organization*</td>
<td>0</td>
<td>6 (8.7%)</td>
<td>49 (71.0%)</td>
<td>15 (21.7%)</td>
</tr>
<tr>
<td>Subject knowledge*</td>
<td>1 (1.4%)</td>
<td>18 (26.1%)</td>
<td>34 (49.3%)</td>
<td>16 (23.2%)</td>
</tr>
<tr>
<td>Visual aids</td>
<td>3 (4.3%)</td>
<td>27 (39.1%)</td>
<td>28 (40.6%)</td>
<td>11 (15.9%)</td>
</tr>
<tr>
<td>Eye contact*</td>
<td>3 (4.3%)</td>
<td>17 (24.6%)</td>
<td>37 (53.6%)</td>
<td>12 (17.4%)</td>
</tr>
<tr>
<td>Pronunciation</td>
<td>4 (5.8%)</td>
<td>26 (37.7%)</td>
<td>30 (43.5%)</td>
<td>9 (13.0%)</td>
</tr>
<tr>
<td>Clarity of voice*</td>
<td>2 (2.9%)</td>
<td>17 (24.6%)</td>
<td>35 (50.7%)</td>
<td>15 (21.7%)</td>
</tr>
<tr>
<td>Confidence</td>
<td>5 (7.2%)</td>
<td>28 (40.6%)</td>
<td>24 (34.8%)</td>
<td>12 (17.4%)</td>
</tr>
<tr>
<td>Attire*</td>
<td>2 (2.9%)</td>
<td>6 (8.7%)</td>
<td>35 (50.7%)</td>
<td>26 (37.7%)</td>
</tr>
</tbody>
</table>

*Note: The achievement target was achieved for these criteria
Table 2 shows the assessment results for 55 students in the Salesmanship course. Results showed that for students in the course, the quality assurance target was achieved for all criteria where more than 75% of students scored ‘Proficient’ and above in all the criteria assessed.

Table 2: Assessment results for oral presentation in the course BPMM3173 Salesmanship (N = 55)

<table>
<thead>
<tr>
<th>Evaluative criteria</th>
<th>Below basic</th>
<th>Basic</th>
<th>Proficient</th>
<th>Advanced</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organization</td>
<td>0</td>
<td>7 (12.7%)</td>
<td>36 (65.5%)</td>
<td>12 (21.8%)</td>
</tr>
<tr>
<td>Subject knowledge</td>
<td>1 (1.8%)</td>
<td>12 (21.8%)</td>
<td>33 (60.0%)</td>
<td>9 (16.4%)</td>
</tr>
<tr>
<td>Visual aids</td>
<td>3 (5.5%)</td>
<td>19 (34.5%)</td>
<td>25 (45.5%)</td>
<td>8 (14.5%)</td>
</tr>
<tr>
<td>Eye contact</td>
<td>1 (1.8%)</td>
<td>12 (21.8%)</td>
<td>31 (56.4%)</td>
<td>11 (20.0%)</td>
</tr>
<tr>
<td>Pronunciation</td>
<td>1 (1.8%)</td>
<td>21 (38.2%)</td>
<td>28 (50.9%)</td>
<td>5 (9.1%)</td>
</tr>
<tr>
<td>Clarity of voice</td>
<td>0</td>
<td>16 (29.1%)</td>
<td>33 (60.0%)</td>
<td>6 (10.9%)</td>
</tr>
<tr>
<td>Confidence</td>
<td>0</td>
<td>19 (34.5%)</td>
<td>30 (54.5%)</td>
<td>6 (10.9%)</td>
</tr>
<tr>
<td>Attire</td>
<td>0</td>
<td>4 (7.3%)</td>
<td>35 (63.6%)</td>
<td>16 (29.1%)</td>
</tr>
</tbody>
</table>

*Note: The achievement target was achieved for all criteria

5. DISCUSSION

For the sales pitching, each student was assessed on the following major criterion, that is, whether he/she was able to match certain features of the product or services to the customer’s advantage. Overall, it was observed that students performed well in their sales pitching assignment.

Students’ choice of products for the sales pitch showed that they were able to identify their prospect (college students), and were able to highlight features of the product which added value to the prospect. This was evident in examining the products that were pitched which were items popular and appealing in the life of a college student. The more interesting presentations were when salespersons (students) brought in the products as exhibits or allowed prospect(s) to handle, feel or sample their product. Many more students made their pitch in the English language as opposed to Bahasa Malaysia.

Every student was provided with a feedback immediately after his/her sales pitch either in a group or individually. Assessments were made based on the seven steps in how to deliver a good sales pitch as outlined (as in 3.1 above). A majority of the students were found to be prepared because they had carried out research about the product and its features. But more importantly, they had product knowledge and were able to identify and match the product’s benefits to the customers. Presentations looked professional aided by appropriate visuals. Additionally, students brought along the product. Students greeted the customers in a professional manner, and immediately delivered their message clearly. A little interaction between the salesperson (student) and customers were observed.

However, the following suggestions were made to the students: (1) Try to build some rapport with the customer. Students were observed to stand in front of the class and did not interact with any of his/her customer before the start of the pitch. (2) Show confidence. A few students lacked confidence in their presentation. (3) Focus on the value that the product brings to the customer. A few students paid more attention to the technical details of their product and had little time left to explain the value of the product to the customer. (4) Focus on one or two main benefits of the product. Some students tried to explain too many details of the product and rushed to complete their sales pitch, or were unable to finish within the allocated time. (5) Strive to create an emotional reaction with the customer(s).

Results from the students’ oral presentation as in Table 1 and Table 2 showed that both groups of students from the Industrial Marketing, and Salesmanship courses demonstrated organization in their presentation such that the audience could follow. They also showed full knowledge of their product information and were at ease with the information. Students maintained eye contact most of the time with the audience, seldom returning to their notes (a majority did not bring in any notes). Both male
and female students presented in a clear voice such that audience can hear their presentation, with few (no) pronunciation errors and complete (few run-on) sentences. They were (somewhat) appropriately dressed for the sales pitching.

Results from the oral presentation of the two groups of students showed some interesting observations. Firstly, students in the Salesmanship performed better than students in the Industrial Marketing course. Their performance on all the evaluative criteria achieved the quality assurance target established where more than 75% of students scored ‘Proficient’ and above in all the criteria assessed (organization, subject knowledge, visual aids, eye contact, pronunciation, clarity of voice, confidence, and attire). Students in the Industrial Marketing course did not achieve the target on three criteria: visuals aid, pronunciation, and confidence. This may be due to the fact that students in the Salesmanship course were taught the art of selling as part of their course syllabus.

Secondly, students in the Salesmanship class used visual aids effectively enhancing the presentation of the product. Finally, students in the Salesmanship class were more relaxed and confident, and were quick to recover from minor mistakes made in their presentation. About 48% of students in the Industrial Marketing class were nervous and showed some tension during their presentation.

6. LIMITATIONS AND SUGGESTIONS

Although the results of this preliminary study were positive, there were some significant limitations. The most prominent limitation is that the exercise was carried out once during the semester to customers who were their classmates. It is unlikely that a single sales pitching exercise would tremendously improve students’ salesmanship skills. A further study of a sales pitch to actual customers unknown to the students could yield new insights into successful sales pitching.

Another drawback of this study was the control group which was made up of students in a different year of study as compared to students in the third year Salesmanship course. The control group students were enrolled in the second-year Industrial Marketing course. It would be interesting to note if there exists any significant difference in student performance if the control group were also students enrolled in another salesmanship course but did not receive any training in salesmanship.

7. CONCLUSION

Although this paper is a brief review pertaining to the topic of salesmanship and how it was assessed in a class assignment, it presents information to help the instructor realize the extent to which salesmanship can be developed among students. The overall findings of the study were positive. Students were prepared for each of their individual sales pitch. To the knowledge of the students, their sessions were videotaped. These videotaped sessions provide invaluable reviews and feedback to both students and instructors to internalize their selling skills.

The way to truly learn salesmanship is to actually do it. Therefore in a classroom setting, students should be provided the opportunity to practice and experience selling in front of their classmates, other faculty members, or people from the industry. Various types of experiential learning activities and approaches to teaching can be introduced into the classroom to enhance the learning-teaching process.
References


Abstract

Current research in Islamic marketing realized that, common attributes used in previous research cannot be generalized to Muslim consumers because they have their special motivation and interest. In order to patronage a store, they will search for “muslim specific attributes”. Therefore, in this paper, retail store attributes from Islamic perceptive are developed to fulfil the requirement of Muslim consumers. From literature study, five main dimensions are considered that include Muslim product, Islamic atmosphere, humanistic, halal product and Islamic values. Mall intercept approach is used to collect Muslim consumers’ feedback towards the selected Islamic store. By using reliability and exploratory factor analysis, this study revealed that 45 attributes of Islamic store can be implemented in understanding Muslim consumers’ perceptions.

Keywords: halal and pure, Islam, Malaysia, Muslim consumer, Religious, store attributes

1.0 Introduction

The development of new measurement of the Islamic store had been created in the literature mainly because the changing consumer’s lifestyle in their choice decision of patronizing a retail store (Sunelle Jacobs, 2010). As Muslim consumers are moving towards the religious consciousness in their daily lives, indirectly it will create an opportunity for the new Islamic retail format to be emerged in the market (refer table 1). The rapidly growth of the new concept of business, such as halal market has experienced a significant increase of 80% of the halal sales in a world in 2012 (Hunter, 2012). In regard to high demand for the Islamic product, the adoption of a new retail format has increased in certain part of a world and shows a significant shift from small traditional market to high volume retail outlets in certain part of a world. With the significant growth of the new retail store format that is tailored to Muslim consumers, the Islamic store start to expand in Malaysia market which is not only offered halal product but also include the Islamic values.

Literature stated that, Muslim people behave differently and their decision is based on their faith and Islamic rules and teaching. They can create a new basic lifestyle that has their own rules and laws. Indeed, the current phenomenon of religious influence on the Malaysia retail industry has deserved formal attention. With the high awareness and adherence towards their religion, Muslim consumers are more discerning in their choice of retailers. Muslim consumers patronize retail stores that are influenced by different store formats and the selection of stores is in accordance with specific preferences, criteria and attributes that meet their own requirements and faith.

Thus, this study intends to investigate a new construct/measurement of Islamic retail store attributes that may have motivated the patrons of such retail outlets among Muslim consumers. Certainly the study believed that, Muslim consumer patronage behavior is possibly influenced by different sets of store attributes, hence a need for further study is needed to verify this new phenomenon among Muslim consumers in Malaysia.
Table 2: Islamic retail store in Malaysia

<table>
<thead>
<tr>
<th>Islamic Retail Store</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Istafa,Mutiara</td>
<td>Kedah</td>
</tr>
<tr>
<td>Ie-Mart</td>
<td>Kedah, Selangor</td>
</tr>
<tr>
<td>Halalal Toyibba Shoppe</td>
<td>Pulau Pinang, Negeri Sembilan</td>
</tr>
<tr>
<td>Metamorf, Hijrah Halal Mart, Halal Mall</td>
<td>Lembah Klang</td>
</tr>
<tr>
<td>Az-Zain</td>
<td>Lembah Klang and Johor</td>
</tr>
<tr>
<td>Hari – hari, D-halal shoppe</td>
<td>Kelantan</td>
</tr>
<tr>
<td>HPA branches</td>
<td>All states in Malaysia</td>
</tr>
</tbody>
</table>

2.0 Muslim and Islamic Attributes

By definition Islamic store is refer to a store that provides comprehensive Muslim made product which is not only *halal* but *tayyib*. The store not only provides muslim product but, also concern about Islamic values in conducting their business. Generally, the mission of the store is to provide Muslim made product which is come from the reliable sources (Alserhan, 2010). Another characteristic of Islamic store are (1) The tenets of Islam is priority in their management, (2) All products have *halal* status and issues by Muslim producer, (3) The priority of the product is towards Muslim entrepreneur who obtain *halal* status, and (4) All staff must keep their dressing code as prescribed in Islam.

Besides that, they also have their own mission and responsibility towards Muslim consumer which are (1) The store is responsible to serve halal and pure (*halalal tayyibba*) product to the society, (2) The store must be the main source of *halalal tayyibba* food, (3) The store is become a model towards Muslim entrepreneur who want to create Islamic business approach, (4) As a platform to help Muslim entrepreneur to market their product, and (5) The store will not abate to sell *haram* product and *produk syubhah*.

Specifically, Islamic retail store consist a numbers of specific unique attributes which is different from conventional retail store. Islamic store attributes are constructs based on several dimensions such as Muslim product, Islamic atmosphere, humanistic, *halal product* and Islamic values. The attributes of the store are detailed out in the following discussion.

2.1 Muslim Product

Muslim product is refer to products that are produced by Muslim producers and follow Syariah compliance and guidelines (Alserhan, 2010). The product is usually a Muslim made product and produce by Muslim in regard Chinese muslim, Malay muslim, India muslim and etc. With regards to Islam, particularly pious Muslims, they will use a product that is not only lawful, in terms of logo, but they are very concerned about the concept tayyib (*halal and tayyib*). To measure the dimension of muslim product, this study used several items that have been adapted from previous research (Chowdhury & Reardon, 1998; Gayatri, 2008; Kunkel & Berry, 1968; Lindquist, 1974a, 1974b; McDaniel & Burnett, 1990).

2.2 Islamic Store Atmosphere
The most suitable store atmosphere that can be measured in grocery retail stores is more towards cleanliness, appeal of the store and comfortable shopping in the store. A store having modern equipment, good, clean physical facilities and ease of transaction would be able to yield satisfaction and patronage intentions of the grocery retail store (Kaul, 2005). The attributes are adapted from several previous researches such as (Gayatri, Hume, & Mort, 2011).

Even though, the influence of store atmosphere affects the consumer preferences towards a store, however, it is the least important aspect for the Muslim consumer in evaluating criteria in selecting a store. This is shown by Alhemoud, (2008), which found that design and layout, external appearance and ease of mobility are not important considerations among respondents when they choose a store in Kuwait, where the majority of them are Muslim (Alhemoud, 2008). Furthermore, in the Islamic manner, the environment must be guided by Syariah, such as listening to Islamic music. The selection of the music which is not distract is more preferable, for example an antiphonal singing, chants and songs that shaped deities bring listeners closer to Allah.

2.3 Humanistic

In general, conventional term humanistic is refer to, in-store service includes providing information on merchandise, responding to consumer queries, guidance to merchandise location, and attendance by sales personnel (Lindquist, 1974a). Basically, the aim of in–store service is to build consumer relationships, increase consumer pleasure of shopping in the store, and encourage the intention to revisit the store (Reynolds & Beatty, 1999).

For Muslim consumer, in-store service is included as one aspect of humaneness that is considered important in attracting them. Besides that, in Islam, the aspect of humaneness is important in order to help other people. The most important part is humanism, which relates to human beings and people must be humanistic in society. The findings of the study are consistent and are strongly supported by previous research, which found that religious people are more concerned with sale personnel friendliness and assistance in their store evaluative criteria. This result gives a better understanding that religious people need more humane treatment as compared to other store attributes (McDaniel & Burnett, 1990).

In Islam, this finding is aligned with the most important concept in Islam, which is tawhid. The concept of tawhid is important in dealing with Muslim consumers; it describes the relationship between humans and their Creator and inter-human relationships based on Allah’s law. The practice needs brotherhood (good inter-human relationships) with other people and justice to society (Arham, 2010). The practice is one of the fundamentals in Islamic philosophy of marketing practices.

Thus, the study includes several items to measure the in-store service and personal interaction of the store personnel. The measurement of the items are taken and adapted from previous studies by (Hansen & Deutscher, 1977; Lindquist, 1974b) and (Gayatri, 2008).

2.4 Halal Product

The halal product is found to be a unique dimension requested by Malay Muslim consumers in patronizing a store. Furthermore, majority of the Muslim consumers consider the concept of halal as an ultimate factor in consuming a product.

In understanding the concept of halal, halal in Islam means ‘permissible’ (lawful) and haram means ‘prohibited’ (or forbidden) by the syariah. By this definition, halal means, anything that is free from any component that Muslims are prohibited from consuming, and it is not just simply “pork free”, but it covers a multitude of forms such as certain emulsifiers, gelatins, enzymes, lecithin and glycerin, and also additives such as stabilizers, flavorings, colorings, and breadcrumbs (Kocturk, 2002). In
Malaysia, the assurance of the halal product is refer to halal logo issued by JAKIM. Although the product is produced by non-Muslims, however the product is still possible to get halal certification, as long as they use the materials been certified halal by JAKIM.

2.5 Islamic Values

In practicing Islamic values in business, retailers cannot exclude their religious teaching from marketing practice. If they believe in their religion, their practices must follow the Qur’an, the Sunnah and the Hadith. Muslim consumers are looking for those attributes in the modern marketing of today. They are not only patronizing the store and buy the products, but most importantly, the faith and the belief of the owner in conducting the business is crucial.

Islamic values include factors like not being involved in any regulations or acts against Syariah that could spiritually burden consumers, are free from doubtful transactions, such as in banking, Islamic bank is not practice *riba* (interest), and they contribute towards payment of *zakat*, and justice and honesty are based on Holy Quran and the Sunnah.

However, the Islamic values attributes is suitable only for the banking industry, and has been validated to evaluate religious values in retail stores. Regarding the importance of religious values in patronizing a store, the study will use the measurement of Islamic values as proposed by (Gayatri, 2008; Gayatri et al., 2011).

3.0 Research Methodology

In this section, we deliver the details of data preparation and data analysis.

3.1 Data Preparation

The research data was collected in a northern region area of Malaysia by using cluster sampling. There are 350 respondents were participated in this survey by mall intercept approach. There are 114 stores as listed by Suruhanjaya Syarikat Malaysia and Persatuan Pengguna Islam Malaysia (PPIM). The selection of the store are bases on simple random sampling. Respondents were asked to complete six pages questionnaires regarding the Islamic store attribute of the store, and several items in demographic section. A complete answered questionnaire was deemed usable for further statistical analysis. The questionnaire consists of five main dimensions, namely; Muslim product (7 attributes), Islamic atmosphere (11 attributes), humanistic (12 attributes), *halal product* (9 attributes), Islamic values (6 attributes). The scale from strongly important (5) to not important (1) has been used in the questionnaire to measure those characteristics.

3.2 Data Analysis

We used descriptive statistics to explain consumers’ profile as well as exploratory factor analysis in order to identify the dimensions of each attributes. Factor analysis has been used in various fields of study, for example, (Kadasah, 2013; Lord et al., 2013; Streiner, 2013).

4.0 Results and Finding

In this section we deliver the statistical results of consumer’s profile and exploratory factor analysis.

4.1 Profile of the consumers
The respondents of this study consist of loyal Muslim consumers of the particular store. Referring to Table 2, there are 146 male and 238 female respondents participated in the survey. Majority of the respondents were age 40 and above (144) and 35.9 percent of them are working in a government sector. The education backgrounds of the consumers are 19.3 percent is come from the religious school, 59.4 percent ordinary school, and 21.4 percent are combination of religious and ordinary school.

Table 2: Consumers’ profile

<table>
<thead>
<tr>
<th>Profile</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>238</td>
<td>62</td>
</tr>
<tr>
<td>Male</td>
<td>146</td>
<td>38</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
</tr>
<tr>
<td>≤ 19 years</td>
<td>33</td>
<td>8.6</td>
</tr>
<tr>
<td>20-29</td>
<td>103</td>
<td>26.8</td>
</tr>
<tr>
<td>30-39</td>
<td>104</td>
<td>27.1</td>
</tr>
<tr>
<td>40-49</td>
<td>57</td>
<td>14.8</td>
</tr>
<tr>
<td>50-59</td>
<td>45</td>
<td>11.7</td>
</tr>
<tr>
<td>≥ 60 years</td>
<td>42</td>
<td>10.9</td>
</tr>
<tr>
<td>Working sector</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government sector</td>
<td>138</td>
<td>35.9</td>
</tr>
<tr>
<td>Private sector</td>
<td>87</td>
<td>22.7</td>
</tr>
<tr>
<td>Self employed</td>
<td>43</td>
<td>11.2</td>
</tr>
<tr>
<td>Not working</td>
<td>78</td>
<td>20.3</td>
</tr>
<tr>
<td>Pension</td>
<td>38</td>
<td>9.9</td>
</tr>
<tr>
<td>Education</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Religious school</td>
<td>74</td>
<td>19.3</td>
</tr>
<tr>
<td>Ordinary school</td>
<td>228</td>
<td>59.4</td>
</tr>
<tr>
<td>Combination of religious and ordinary school</td>
<td>82</td>
<td>21.4</td>
</tr>
</tbody>
</table>

There are three various stores classified in the study. In Table 3, there are about 41.9 percent preferred Malay store, 44.8 percent of the respondents make their groceries purchases at Islamic store, and others 13.3 percent are considered shop at others store. Most of them shop groceries and food items as compared to the other products. The highest frequencies of visits to the store are stated as 2 to 3 times a week (146), followed by once in a week (111), once in two weeks (67), once in a month (48), and less than once in a month (12).
Table 3: Consumers’ Preference

<table>
<thead>
<tr>
<th>Consumer Choice</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Types of stores</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Malay retail store</td>
<td>161</td>
<td>41.9</td>
</tr>
<tr>
<td>Islamic retail store</td>
<td>172</td>
<td>44.8</td>
</tr>
<tr>
<td>Others</td>
<td>51</td>
<td>13.3</td>
</tr>
<tr>
<td>Types of Product buy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Frozen food</td>
<td>122</td>
<td>31.8</td>
</tr>
<tr>
<td>Groceries item</td>
<td>224</td>
<td>58.3</td>
</tr>
<tr>
<td>Cosmetics</td>
<td>14</td>
<td>3.6</td>
</tr>
<tr>
<td>Others</td>
<td>23</td>
<td>6</td>
</tr>
<tr>
<td>Frequency of visits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Two or three times a week</td>
<td>146</td>
<td>38</td>
</tr>
<tr>
<td>Once in a week</td>
<td>111</td>
<td>28.9</td>
</tr>
<tr>
<td>Once in two weeks</td>
<td>67</td>
<td>17.4</td>
</tr>
<tr>
<td>Once in a month</td>
<td>48</td>
<td>12.5</td>
</tr>
<tr>
<td>Less than once in a month</td>
<td>12</td>
<td>3.1</td>
</tr>
</tbody>
</table>

4.2 Exploratory Factor Analysis

Exploratory factor analysis (EFA) could be described as orderly simplification of interrelated measures. EFA, traditionally, has been used to explore the possible underlying factor structure of a set of observed variables without imposing a preconceived structure on the outcome (Child, 1990). By performing EFA, the underlying factor structure is identified, and composite scores from the original variables were created.

Table 4: Factor Loadings for Retail Store Attributes

<table>
<thead>
<tr>
<th>Patronage Dimensions</th>
<th>Factor loadings</th>
<th>Variance explained (%)</th>
<th>Communalities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Dimension 1: Muslim Product (7 Attributes)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>D11 Everything I need is at this store</td>
<td>0.642</td>
<td>13.71</td>
<td>0.621</td>
</tr>
<tr>
<td>D12 Numerous Muslim product with varieties brands</td>
<td>0.681</td>
<td></td>
<td>0.626</td>
</tr>
<tr>
<td>D13 Wide varieties of guaranteed <em>halal</em> product from Muslim owned companies</td>
<td>0.659</td>
<td></td>
<td>0.590</td>
</tr>
<tr>
<td>D14 Feel confident with a Muslim product even though, there is no <em>halal</em> logo.</td>
<td></td>
<td></td>
<td>0.346</td>
</tr>
<tr>
<td>D15 Provides quality product with famous brand.</td>
<td>0.322</td>
<td></td>
<td>0.547</td>
</tr>
<tr>
<td>D16 Product which is satisfied by the consumer and meet consumer expectation</td>
<td>0.619</td>
<td></td>
<td>0.414</td>
</tr>
<tr>
<td>D17 The price is cheap</td>
<td>0.322</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Dimension 2: Islamic store atmosphere (11 Attributes)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>D21 Islamic retail environment</td>
<td>0.651</td>
<td>26.12</td>
<td>0.630</td>
</tr>
<tr>
<td>D22 Store comfortability</td>
<td>0.497</td>
<td></td>
<td>0.461</td>
</tr>
<tr>
<td>D23 Islamic music played</td>
<td>0.741</td>
<td></td>
<td>0.588</td>
</tr>
<tr>
<td>D24 Muslim owner with Islamic rules</td>
<td>0.706</td>
<td></td>
<td>0.612</td>
</tr>
<tr>
<td>D25 Store image and reputation</td>
<td>0.473</td>
<td></td>
<td>0.446</td>
</tr>
</tbody>
</table>
Table 4 summarizes results of exploratory factor analysis. It was analyzed by using principal component factor analysis (PCA) with Varimax Rotation. The analysis was performed based on 46 variables that influence consumer patronage Muslim retail store. Result of the study indicated that, Barlett’s Test of Sphericity was significant (Chi-square = 9020.39, p-value < 0.000). The measure of sampling adequacy by Kaiser-Meyer-Olkin (KMO) is 0.936 and it is accepted as the value is greater
than 0.6 (Kaiser, 1974). In other words, the result showed the data is adequate to proceed with Factor Analysis.

The result portrays the factor analysis results and the items that load on each dimension. Seven items loaded on first dimension (Muslim product), eleven items loaded on second dimension (Islamic atmosphere), twelve items loaded on third dimension (humanistic), nine attributes loaded on fourth dimension (halal product), six items loaded on fifth dimension (Islamic values).

The stated factors loading for each item are range between 0.300 and 0.714 with a six factor analysis solution. Total variance explained was 55.13 percent of the total variances. In this case, forty five item are acceptable (refer Table 4). The first dimension which is Muslim product are loaded together into a common factor with the factor loading of $D_{11}$ (0.642), $D_{12}$ (0.681), $D_{13}$ (0.659), $D_{15}$ (0.322), $D_{16}$ (0.619) and $D_{17}$ (0.535). All items are acceptable for the first dimension, as mentioned by Hair (2001) factor loading of 0.30 is significance and can be acceptable because of the large numbers of sample size in this study which is over 350.

The second variable loaded in the store image is Islamic store atmosphere. The dimension of Islamic store atmosphere is divided into two sub-dimensions. Items $D_{21}$ until $D_{25}$ are loaded together as Islamic store atmosphere; meanwhile, item $D_{28}$ until $D_{211}$ are grouped in the other dimension of the factors. There are two items in Islamic values dimension are grouped as Islamic store atmosphere to be named as $D_{26}$ and $D_{27}$. As refer to the other previous research, the suitable label and name for the new dimension in Islamic store atmosphere is refer as convenience of the store. The factor loading for these items are range from 0.3 to 0.741. The other two additional items $D_{26}$ and $D_{27}$ are added in the Islamic retail store atmosphere because of the highly inter-correlated items similar to describe the store environment factor rather than explained Islamic values.

Other factors that grouped together successfully in EFA is humanistic. All the items that measure humanistic are loaded in the same factor solution which is refer as items number $D_{31}$ to $D_{312}$. The lowest loaded value for the variables is 0.409 and the highest is 0.692. With that value, all items in the humanistic is accepted for this study and there is no item are rejected.

The same outputs of the factor analysis are referring to halal product. From the analysis, halal items are grouped together start from the items $D_{41}$ to $D_{49}$, however, in this variable, there are other two additional items in Islamic values stated as $D_{48}$ and $D_{49}$ are includes together in the halal factor. This make the items which measure halal are increase to nine items instead of seven items previously. Result indicated that factor loaded at 0.405 to the highest as 0.656.

The last variables that explained the store image of the store is Islamic values. Islamic values are grouped as ten items previously, however, result of the factor analysis derived that there are only six items left to explain the Islamic values of the Muslim retail store. The factor loaded from the items $D_{51}$ to $D_{56}$ with the lowest value of 0.330 and the highest value as stated as 0.612. Items $D_{57}$ and $D_{58}$ are remove to Islamic store atmosphere dimension, meanwhile items $D_{510}$ and $D_{511}$ are include in halal product dimension. However, there are one items had been removed, which is $D_{59}$.

As a conclusion, there are five dimensions explained the patronage behavior of the Muslim store with two separate sub-dimension that measure Islamic retail store atmosphere. It is similar with the other previous research that had done before (Theodoridis & Chatzipanagiotou, 2009; Wan Hassan & Awang, 2009; Wan Marhaini Wan Ahmad, 2008; Wenger & Yarbrough, 2005).

5.0 Conclusion and Discussion

In conclusion, the finding indicates that there are five dimensions exist in the Islamic retail store attributes. Factor analysis results showed items $D_{14}$ and $D_{59}$ should be removed due to the reason of
high factor loading of the items in correlation anti image output. By removing both of the items the result of the factor analysis is more reliable.

Thus, as a result, the finding of each dimension in Islamic retail store attributes is summarized in Table 4. By referring to the result, we can see that, items D11 to D17, exclude D16 are loaded in the same factor which is Muslim products.

From the EFA output, Islamic store atmosphere dimension loading in two different factors to be named as convenience of the store D28, D29, D210 and D211. Two items in Islamic values (D57 and D58) are grouped together in Islamic store atmosphere with the new label of D26 and D27. D31 to D312 are grouped together as humanistic, while the others dimension are grouped with some additional items. While D510 and D511 items from the Islamic values include in halal product dimension and to be name as D48 and D49. The remaining items in Islamic values are loaded from items D51 to D56. The result from this study hoped that the findings can serve as important inputs for consideration in order to design the questionnaire items for the Islamic Store attributes in Islamic Perceptive.

References


Does Customer Relationship Management (CRM) Implementation Influence the Performance of Telecommunication Services: Evidence from Nigeria

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Abstract

This study examines CRM implementation and proposed a conceptual model linking customer loyalty in the telecommunication industry. The model was developed based on observed practical issues, industry reports and explicit review of empirical literatures on CRM in multidimensional disciplines using qualitative technique. Findings from this research revealed a significant relationship between CRM measurements, customer satisfaction, switching costs and customer loyalty. Although few literatures have established the influence of CRM measurements on customer loyalty effectiveness, this study has further availed scholars/practitioners knowledge of the theoretical relationships as well as the importance of CRM maintenance in predicting successful CRM implementation. It finally recommends that CRM implementing organizations should integrate CRM maintenance as a precondition for CRM sustainability in their organizations.

Keywords: CRM Dimensions, Customer Satisfaction, Switching Cost, Customer Loyalty

Introduction

In the relationship parlance, CRM is one most popular retention strategy used by organizations. Over the years telecommunication companies are faced with the problems of extreme customer churn and switching behaviors due to increase in competition and customers’ expectation of service (Kuusik & Varblane, 2009). As a result, operators are very much keen at developing proactive strategies aimed to accomplish lasting profitable relationships (Azila & Noor, 2011; Bull, 2003). Even though scholars and practitioners have recognized that CRM implementation seeks to achieve long-term loyalty. It has become extremely vital for organizations to sustain that strategy in the face of competing business environment. Most telecommunications operators are implementing retention strategies; harmonized in their CRM programs and processes, until now their implementation seems not to be yielding desired results in terms of increased retention rates. In a study by Zhang, Chen and Fu (2006), approximately 70% of CRM projects result in either losses or no bottom-line improvement in company performance, It was found that the failure rates of CRM related projects were estimated to be from 70% to 90% (Richards & Jones, 2008). Besides, experiences indicated that unsuccessful CRM implementations result to decline in customer satisfaction (CS) and customer loyalty (CL) (Öztaysi, Sezgin, & Özok, 2011). Similarly, Hughes (2007) revealed that the global average annual churn rates of telecommunications sector is between 10% and 67%. Thus, leading to a continuous and competitive struggle among the operators around the globe to manage relationships with their customers (Khan, Jamwal, & Sepehri, 2010; Mendzela, 1998; Patrick, 2012). Regrettably, while studies have established the importance of CRM implementation on customer loyalty/retention, a few that critically investigated CRM within the context of Nigeria’s telecommunications sector narrowly focus on loyalty (Awoloye, Okogun, Ojuloge, Atoyebi, & Ojo, 2012; Ogechukwu, 2012; Patrick, 2012; Tella, Amaghionyeodiwe, & Adesoye, 2007). And that so many CRM implementing organizations stressed more on customer service and acquisition with little or no consideration to relationship maintenance (Reinartz, Krafft, & Hoyer, 2004). Paradoxically, organizations claim to have CRM strategy designed to suit their plans but the effectiveness of such strategy is another issue.
altogether. Based on the prevailing situation this research proposed a conceptual model to examine whether CRM implementation influence the performances of telecommunication services in Nigeria. It also investigates the relationships connecting these measurements with customer satisfaction, switching costs and customer loyalty. Hence, the study is divided into three sections consisting of the introduction, theoretical background and conceptual model and concluding remarks.

**Concept of CRM**

Scholars and practitioners of marketing have made several attempts to come up with a generally acceptable definition of CRM. However, popular consensus of scholars has defined CRM in terms micro and macro perspectives. Micro perspective considers CRM only in terms of a philosophy (Ryals & Knox, 2001), IT application (Gefen & Ridings, 2002; Hsieh, 2009; Payne & Frow, 2005; Shoemaker, 2001), a process (Srivastava, Shervani, & Fahey, 1999), customer life-cycle administration (Parvatiyar & Sheth, 2001), strategy (Croteau & Li, 2003; Gummesson, 2002), and customer knowledge management (Adhikari, 2009; Boulding, Staelin, Ehret, & Johnston, 2005). These perspectives seems to be very narrow in context resulting in poor organizational outcomes in terms of higher retention rates (Thomas, Blattberg, & Fox, 2004).

Macro perspective considers CRM as a broader approach involving the integration of philosophy, strategy, people, process, technology, customer, and stakeholders. A more recent definition of CRM that captures the broader perspective proposes that “CRM is a philosophy involving the building of a customer-oriented culture by which a strategy is created for acquiring, enhancing the profitability of, and retaining customers, that is enabled by an IT application; for achieving mutual benefits for both the organization and the customers” (Rababah, Mohd, & Ibrahim, 2010). O’Brien and Marakas (2007) posited that effective CRM implementation must be supported with a well structured functioning organizational system.

**CRM Dimensions**

- Customer Orientation
- CRM Organization
- Knowledge Management
- Technology based CRM
- CRM Maintenance

Proposed Framework of CRM Implementation in the telecommunication industry

**CRM Implementation Dimensions**

The competitive nature of business environment has shifted organizations from product or brand centered to customer oriented (Kuusik & Varblane, 2009; Ogbadu & Usman, 2012). Mohammed and Rashid (2012) emphasized that customer orientation is focused towards long term relationships and loyalty. Studies have aptly pointed out that implementing customer oriented philosophy significantly influence organizational performance (Reimann, Schilke, & Thomas, 2010). Vandermerwe (2004), states that the ultimate aim of customer orientation is achieving successful relationships through which the business retains its most profitable customers. Customer orientation is a product of organizational commitment to satisfying customers’ needs and feedback (Dean, 2007). Yim et al.,
(2005) emphasized that successful CRM implementation lies in an organization’s ability to develop and maintain a customer focused structure, culture, policy, and reward system that would retain long-lasting customer relationship. Solid relationship with customers and business associates results in company performance (Srivastava, et al., 1999).

CRM organization is a necessary medium of meaningful transformation of how companies coordinate and conduct their operations within and around customers (Wang, Huang, Chen, & Lin, 2010). Studies have argued that organizations’ despite their advancement in technology and adoption of customer-oriented strategy hardly implement successful CRM without proper organization within their system (Yim, et al., 2005). However, CRM implementation success depends on a combination of technology, systems and operations procedures, employee’s participation, managerial commitment, and favorable environment (Payne & Frow, 2005; Tamararas, 2011). Hence, a well organized structure is a necessary medium of meaningful CRM implementation successes in organizations.

Knowledge management is a business strategy that creates, accumulate, organize and utilize knowledge to enhance organizational performance (Finnegan & Currie, 2010; Rašula, Bosilj Vukišić, & Indihar Štemberger, 2012). Researchers have confirmed that Knowledge management results in organizational invention, product advancement and workers improvement (Yueh, Lee, & Barnes, 2010). Thus, effective knowledge management results in increase organizational markets and competitive advantage of a firm (Abdullateef, Mokhtar, & Yusoff, 2010). Organizations as they understand their individual customer interest and adopt customization strategy can be much more customer oriented and no doubt manage request for service from customers. Yueh, Lee and Barnes (2010) lamented that the presence of today’s worldwide marketing problems results from poor information handling, and that organizations can only survive competition when they have perfect knowledge about market situations (Schierholz, Kolbe, & Brenner, 2007).

CRM activities revolve around technology applications in updating database programs to better understand and respond to changing customer needs and establishing sustainable relationships (Adhikari, 2009; Kotler & Keller, 2009; Mohammed & Rashid, 2012). CRM strategy implementation would result in absolute failure without adequate technological support (Dušu & Hălmăjan, 2011). Studies revealed that, adopting customer centric approach by organizations hardly achieves the desired objectives with absence of adequate information technology (Kuusik & Varblane, 2009; Mohammed & Rashid, 2012). Organizations that combine CRM with information technology application tend to have increased efficiency and customer satisfaction that impact on its overall profitability (Oghojafor, Mesike, Bakarea, Omoera, & Adeleke, 2012). Furthermore, one basic reason for incorporating technology based- CRM is its ability to enhance customer satisfaction, increased loyalty, and most importantly ensuring long term relationships (Becker, Greve, & Albers, 2009). A good number of service companies for example telecommunications, insurance, pensions and banks are making effective use of IT in delivering efficient services to their respective customers (Kyootai & Joshi, 2007). Customer confidence in organizations is reinstated where technological competence is inbuilt in CRM implementation, and merged by means of training (Eid, 2007).

Rationale for CRM Maintenance

Although studies have established CRM measurements such as customer orientation, CRM organization, knowledge management, and technology based CRM as strong predictors of CRM successes in organizations. Yet, researches have argued strongly for the integration of CRM maintenance (Jambekar, 2000; Reinartz, et al., 2004). CRM maintenance has been defined as a continuous improvement and preservation of all organizational CRM components aimed at
establishing and maintaining long term customer loyalty and retention. However, Dagger et al., (2011) stressed that organizations must be acquainted with maintaining their customers’ relationships to gain their long-term retention. The primary concern of their opinion is the need for organizations to sink in large amount of their resources to ensure that relationships maintenance is effectively inculcated into their CRM strategy. Accordingly, Reinartz et al., (2004) posited that only when businesses are able to effectively recognize their customers’ value to the firm’s existence, that they will be keen at maintaining their customers’ relationships. Hence, they will be more sensitive at maintaining individual customer relationships and more effectively determine the benefits of relationship maintenance to overall firm’s profitability. Becker, Greve and Albers (2009) empirically confirmed that customer relationship maintenance results in greater customer satisfaction, relationships spread-out, reduction in switching behavior, employee satisfactions and intensify organizational incomes. The basis of the aforementioned arguments follows that if organizations are able to effectively inculcate CRM maintenance into their strategy. They would be customer focus, well organized, customer knowledge conscious and technologically competitive. Additionally, they would on a continuous basis enhance and preserve these components and invariably leads to higher customer value, satisfaction and loyalty (Dagger, et al., 2011; Jambekar, 2000; Reinartz, et al., 2004).

Furthermore, some scholars have attested that customer relationships maintenance is the brain behind the success of every CRM implementation plan, and that numerous organizations such as banking, insurance, automobiles, etcetera have succeeded in their CRM strategy due to relationships maintenance (Parvatiyar & Sheth, 2001).

Considering the fact that customer orientation, CRM organization, knowledge management, technology-based CRM and CRM maintenance are key components of organizational CRM measurements as established by numerous studies (Mohammed & Rashid, 2012; Reinartz, et al., 2004; Sin, Tse, & Yim, 2005), this study proposes the following hypotheses:

**H1a:** Customer orientation has significant influence on customer satisfaction of telecommunication services.

**H1b:** Customer orientation has significant influence on customer loyalty of telecommunication services.

**H2a:** CRM organization has strong positive influence on customer satisfaction of telecommunication services.

**H2b:** CRM organization has strong positive influence on customer loyalty of telecommunication services.

**H3a:** Knowledge management of telecommunication customers has significant influence on customer satisfaction.

**H3b:** Knowledge management of telecommunication customers has significant influence on customer loyalty.

**H4a:** Technology based CRM positively influence customer satisfaction of telecommunication services.

**H4b:** Technology based CRM positively influence customer loyalty of telecommunication services.

**H5a:** CRM maintenance has strong significant influence on customer satisfaction of telecommunication services.

**H5b:** CRM maintenance has strong significant influence on customer loyalty of telecommunication services.
Relationship between Customer Satisfaction, Switching Cost and Loyalty

Customer loyalty is described as the extent to which a consumer is committed at doing business with a firm through repeated purchase actions, exhibition of positive character towards a service provider and making use of only his services when need arises (Gremler, Gwinner, & Brown, 2001; McIlroy & Barnett, 2000). Loyalty often results in other subordinate benefits to the firm such as brand advocacy, direct referrals, purchase rate, word-of-mouth, and price insensitivity that ultimately leads to firm performance (Kheng, Mahamad, Ramayah, & Mosahab, 2010; Singh, 2006; Toporex, 2011). Hence, this study focused its own perception of loyalty from the composite stand point that has conceived true brand loyalty as combination of a consumer’s attitudinal and behavioral purchasing actions.

Studies have examined the association between customer satisfaction and loyalty (Adeleke & Aminu, 2012; Almossawi, 2012; Miranda, Konya, & Havrila, 2005). The more customers’ are satisfied with organizational products or services in meeting their expectations the greater their level of loyalty (Adeleke & Aminu, 2012). A greater satisfaction level is assumed to be highly related with increased loyalty (Lee, Lee, & Feick, 2001; Santouridis & Trivellas, 2010). Similarly, researches have established negative correlation between satisfaction and loyalty (Boohene & Agyapong, 2010). Their argument stressed on service quality, adequate consideration to personnel training and promising services in building relationships. Berndt, Herbst and Kloper (2007) emphasized that sometimes customer satisfaction does not necessarily result in loyalty and that 40% of satisfied customers’ switch to other suppliers. Yet, satisfied customers have higher tendency of retention and oppose to alternative options (Anderson & Sullivan, 1993).

Furthermore, researches have empirically tested the association between switching costs, customer satisfaction and loyalty (Aydin, Özer, & Arasil, 2005; Oyeniyi & Abiodun, 2009; Yang & Peterson, 2004). Oyeniyi and Abiodun (2009) established that switching costs positively influence the extent to which customers are loyal to products/services. Aydin et al., (2005) examined 1,662 mobile subscribers and found switching costs to have strong moderating effect on the relationship between customer satisfaction and trust. Existence of switching costs discourages loyal customers not satisfied to remain with their operators (Lee, et al., 2001). Hence, studies have suggested the direct influence of switching costs in strengthening the association between customer satisfaction and loyalty (Kaur, Sharma, & Mahajan, 2012). Within the internet-based market switching-cost is only considered to be positively correlated when satisfied customers feel products/services value is reasonable (Yang & Peterson, 2004). Besides, regulating the influence of satisfaction and loyalty, customer relationships and switching costs simultaneously improve customer loyalty (Boohene & Agyapong, 2010). On this note, this study proposes the following hypotheses:

H6a: Customer satisfaction has strong positive influence on customer loyalty of telecommunication services.

H6b: Switching cost is positively related to customer loyalty of telecommunication services.

Conclusion

CRM implementation is now a worldwide practice, and that the components of an organization’s CRM measurements positively influence its CRM implementation success. Unfortunately, despite the fundamental role of CRM maintenance in enhancing and preserving the effectiveness of CRM strategy implementation, studies have neglected to integrate this variable as a component of CRM measurements (Dagger, et al., 2011; Jambekar, 2000; Reinartz, et al., 2004). Numerous evidences by researchers have adduced this situation has led to the inability of the telecommunication operators
around the globe to manage relationships and retain long-term loyalty of customers. As confirmation to the above argument studies have pointed out that customer dissatisfactions give rise to high rate of subscribers churn and low revenue for the telecommunication companies (Datong, 2011). This is invariably caused by absence of an established CRM implementation tool such as customer orientation, CRM organization, knowledge management, and the technology based CRM. Consequently, the study has developed and proposed a conceptual model of CRM measurements that integrates CRM maintenance as a fundamental component of CRM. Hence, the investigations of this study confirmed that there is a strong need to incorporate CRM maintenance into the existing CRM measurements to achieve desired result.

REFERENCE


Determinants of School Teachers’ Organizational Citizenship Behaviors (OCBs)

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Abstract

This study examined the relationship between intrinsic and extrinsic motivation on organizational citizenship behaviors (OCBs) among secondary school teachers within the context of Malaysia. Drawing on a survey using a representative sample of 80 secondary school teachers selected through simple random sampling technique, the results showed that intrinsic motivation was positively influenced teachers’ OCB, while extrinsic motivation was not. The implications for further research was highlighted.

Keywords: Organizational Citizenship Behaviors (OCBs), school teachers, extrinsic motivation, intrinsic motivation

1. Introduction

Education system nowadays is facing with various challenges and is operating in highly competitive and complex environment. In Malaysia for example, to keep up with the current demand for quality in education as indicated in the National Key Result Areas (NKRAs) and latest in the 10th Malaysia Plan (10th MP), teaching profession is no longer easy as what was expected. Success of schools basically depends on teachers who are committed to school goals and values, and more willing to go above and beyond the prescribed duty to contribute to successful change, such as to engage in such organizational citizenship behaviors (OCBs) (Belogolovsky & Somech, 2010; Oplatka, 2006; Somech & Ron, 2007). OCBs is defined as employees’ extra-role behavior that is voluntary, goes beyond routine requirements of the job and that is (explicitly or not) aimed at benefiting organizational functioning (Allison et al., 2001; Organ, 1988). Research on OCB was investigated by the idea that there are certain behaviors by employees that are contributing to organizational performance, but that are difficult for managers to enforce because these behaviors are not directly rewarded by salary or imposed by a job description (Organ, 1988).

OCBs take variety of forms, namely altruism, courtesy, sportsmanship, civic virtue and conscientiousness. Altruism means that employees help others with organizationally relevant tasks. Courtesy means that they treat others with respect. Sportsmanship implies that employees have a positive attitude and are willing to tolerate less than ideal circumstances without complaining. Civic virtue means that employees responsibly participate in, and are concerned about, the welfare of the company. Conscientiousness is discretionary behavior
that goes well beyond minimum role requirement of the organization (Organ, 1988). Specific examples of OCBs are helping others voluntarily; offering suggestions for improvement without apparent need or gain; tolerating inconveniences; and being loyal to the organization even in difficult times (Organ, Padsakoff, & MacKenzie, 2006). Exhibition of such extra-role behaviors that enhance organizational goals but are not explicitly rewarded or cannot be fully monitored, is a key challenge for organizational managers (Korsgaard et al., 2010). This is further stressed by Haworth and Levy (2001) and Tepper et al. (2001) that previous research showed that employees frequently perceive presumed OCBs as role-prescribed, nondiscretionary, and/or rewarded imply that the commonly accepted definition does not accurately characterize employees’ perceptions of OCB. Within the context of school, OCBs are essential because schools cannot anticipate through formally stated in-role job descriptions the entire array of behaviors needed for achieving goals (George & Brief, 1992). Therefore, one of the possible ways whereby organizations could encourage OCB was through explicitly measure and rewards such behaviors. Johnson, Holladay, and Quinones (2009) investigated the extent to which employees consider including OCBs in formal performance appraisals as fair. Two separate experiments were conducted, one employing a sample of 78 employees from diverse organizations and industries and the other employing a large sample of undergraduate students. In general, the findings of both studies were similar. Overall, employees reported that it is fairer to include OCBs in performance appraisals than to not include them. Importantly, employees felt that it is most fair to include OCBs in performance appraisals when they constitute about 30 – 50% of the total performance rating (While the remaining represents Core Task Behaviors). Johnson et al. also found that while females generally preferred higher weightings of OCBs (between 25 and 50%) men found a 20 – 30% weighting of OCBs to be most fair.

Previous studies have found OCBs to contribute to organizational performance (Podsakoff, Ahearne & MacKenzie, 1997; Podsakoff & MacKenzie, 1994, 1997). In the profit organizational sector, OCBs is associated with higher sales, higher production, and better product quality (Podsakoff et al., 2000) as well as employees’ organizational commitment and job satisfaction (Podsakoff, MacKenzie, & Bommer, 1996; Organ & Ryan, 1995). Early research regarding the antecedents of OCB focused on employee attitudes, dispositions, and leader supportiveness. More recently, many different variables have been examined in the effort to determine the antecedents of OCB (Alizadeh et al., 2012). Commonly studied antecedents of OCB are job satisfaction, perceptions of organizational justice, organizational commitment, personality characteristics (Borman, Penner, Allen & Motowidlo, 2001; Konovsky & Organ, 1996), task characteristics (Piccolo & Colguitt, 2006; Podsakoff, MacKenzie & Bommer, 1996), and leadership behavior (Podsakoff, MacKenzie, Moorman & Fetter, 1990). These antecedents have been analyzed at both the overall and individual OCB levels. From a measurement perspective, it is important to formally capture these OCBs and identify motivational factors that affect the implementation of voluntarily making contributions.

Therefore, the purpose of this study was to:

1. investigate the level of OCB among teachers.
2. determine the relationship between extrinsic motivation and OCB among teachers.
3. analyze the relationship between intrinsic motivation and OCB among teachers.

1.1 Problem Statement

More and more organizations nowadays are moving toward formally measuring and rewarding OCBs. However, a note of cautious that need to be considered when trying to
incorporate them into the reward systems is that OCBs are generally not a substitute for traditional job performance. Instead, OCB is a good practice in the workplace, whereby employees are encouraged to perform certain tasks not merely to what has been stated in the job description, but also doing something which is beyond their formal requirement. Previous studies have shown varying degrees of predictive variables of OCBs namely: personality traits (Borman, Penner, Allen & Motowidlo, 2001; Konovsky & Organ, 1996), the characteristics of the tasks (Piccolo & Colguitt, 2006; Podsakoff, MacKenzie & Bommer, 1996), leader-manager behavior (Podsakoff, MacKenzie, Moorman & Fetter, 1990), employee attitudes towards the job and organization (Organ & Ryan, 1995; Konovsky & Pugh, 1994), and perceived justice and fairness (Moorman, 1991; Niehoff & Moorman, 1993) are correspond to OCB. To perform a role, employees must clarify their expectations on the role set, the antecedents that fulfill the role expectations and the consequences of exercising those discretionary activities (Elovainio & Kivimaki, 2001).

According to Oplatka (2006), there remains a paucity of research carried out on teachers and OCB that needs some serious attention. The teacher OCB can be seen in three forms. First is involvement in novel and initiative actions. Second is helping the colleagues in their job and third is improving and helping the students and teaching them with positivism and helping them in getting their targets (Somech & Drach-Zahavy, 2000). Apparently, not much attention to empirically test the antecedents of motivational factors towards OCBs, especially in teaching profession. Behavior in schools is different from that found in non educational settings. Schools are service organizations staffed by teachers who are generally committed to doing and giving the best for their clients (DiPaola & Hoy, 2004). So the nature of job attitudes influence on teachers’ OCB maybe different from those obtained in other organization. One of the gaps in the current OCB literature was lack of research on relationship between OCB and motivational factors which derived from intrinsic and extrinsic factors (Lavelle, 2010; Lindner, 1998) whereby different employees may perform the same citizenship behaviors for very different antecedents. Organ (1997) called for a greater attention in research to focus on the predictors of OCBs, noting that employee motives may offer an empirical explanation of the phenomena.

While the OCB literature in non educational settings is expansive, there are few studies on the casual relationship between intrinsic motivation and extrinsic motivation, and OCBs of teachers (Zeinabadi, 2010). Besides, most of the research in the field of organizational behavior (OB) was held in the western settings, which have different culture, environment, values and norms. Some examples of the intrinsic motivations are having a pleasant work environment, feeling of accomplishment and self-respect, adequate leisure time, feelings of power and prestige, etc., meanwhile extrinsic motivation can be considered as the set of tangible rewards, such as wages, incentives, bonus, etc. (Cruz, Perez & Cantero, 2009). Past study found that teachers who had a high sense of status in their work tended to invest in more OCBs than those do not (Bogler & Somech, 2004). Teachers’ OCBs were perceived to result in high degrees of self-fulfillment, enthusiasm and work satisfaction, positive feedback from peers, parents, and students (Oplatka, 2009). Failure to identify motivational factors that related to employees concerned might lead to increasing levels of stress, dissatisfaction, turnover and lower performance (Sun, Aryee & Law, 2007). In sum, this study aimed to understand the motivational factors, specifically extrinsic and intrinsic motivation that may have influence on teachers’ OCBs.

2. Literature Review

According to cognitive evaluation theory (CET), there are two motivational subsystems: an intrinsic subsystem and an extrinsic subsystem (Deci, 1971). Deci hypothesized that intrinsically motivated people attribute the cause of their behavior to their internal needs and
perform behaviors for intrinsic rewards and satisfaction. However, aspects of the situation e.g. reward and feedback systems, in which behavior is performed, may lead individuals to question the true causes of their behavior. To be truly intrinsically motivated, a person must feel free from pressures, such as rewards or contingencies (Deci & Ryan, 1985). Situational variables such as reward systems are only detrimental to feelings of intrinsic motivation if they are perceived by individuals as “controlling” their behavior (Ambrose & Kulik, 1999).

Employees might view situational variables as “controlling” when they perceive the organization as forcing them to perform tasks or behaviors that are not part of their formal job duties (e.g. extra-role behaviors). Therefore, it seems plausible that the effects of evaluating and rewarding OCBs will likely differ depending on the motivation of the individual exhibiting OCB. If a person engages in OCBs for impression-management purposes (i.e. extrinsically motivation) and is rewarded for this behavior through the performance appraisal and reward systems, this increases the likelihood that this employee will continue to engage in citizenship behaviors. Employees, who engage in OCB for extrinsically motivated or self-serving reasons, are likely respond favorably to formal evaluation and reward of OCB since these outcomes are the very reason for the behavior (Becton et al., 2008).

Research has shown how characteristics of the tasks, such as autonomy, is prevalence to OCBs (Piccolo & Colguitt, 2006; Podsakoff et al., 1996). Autonomy refers to the extent to which employees have the power to organize their job activities for themselves. More specifically, autonomy concerns the discretionary powers and freedom with respect to work goals, setting priorities, shaping task elements, and determining the order and tempo in which tasks are executed (e.g. Kwakman, 2003; Xanthopoulou, Demerouti, Bakker,& Schaufeli, 2007). The more autonomy employees have in their jobs, the more opportunity they have to show extra-role behavior like OCB. Moreover, autonomy is a task characteristic that has a major impact on the psychological states of employees, like feeling responsible for work outcomes and job satisfaction (Hackman & Oldham, 1980; Podsakoff et al., 2000). As such, autonomy enhances employees’ motivation to put extra effort into their work and show organizational citizenship behaviour (see for instance, Chen & Chiu, 2009).

In other study, task characteristics such as feedback, routinization, and intrinsic satisfaction are found to be significantly related to altruism, courtesy, conscientiousness, sportsmanship, and civic virtue. Positive relationships were found between both task feedbacks and intrinsic satisfaction and OCB, while a negative relationship was found between task routinization and OCB. Also Todd (2003) found indirect associations between task characteristics and organizational citizenship behaviors. According to him, intrinsically satisfying task and task autonomy were significantly related to job satisfaction which in turn predicted organizational citizenship behavior.

OCB can be affected by instilling in employees a self-fulfillment in their job tasks. For employees low in value commitment, a pay-for-performance system appears to be a disincentive for engaging in OCB (Deckop et al., 1999). Nonetheless, informal recognition of OCBs by managers could leave employees dissatisfied with the reward and evaluation process (Podsakoff et al., 2000). Employees who perform citizenship behaviors may be more likely to elicit support from their organizations (Moorman, Blakely & Niehoff, 1998). Since high conscientiousness individuals might less influenced by additional benefits or tangible reward, it shows that the employees believe that there is a responsibility to perform such behavior, naturally. Employees are more likely to involve in a purposeful contribution in OCB because of the inner inside the employees themselves, rather than to other dimensions (Jacqueline, Shapiro, Kessler & Purcell, 2004).

Therefore, it was hypothesized that:
- H1: There is a positive relationship between intrinsic motivation and OCB among teachers who are truly intrinsically motivated.

Robbins (2009) argues that when extrinsic rewards are used by organizations as payoffs for superior performance, the intrinsic rewards, which are derived from individuals doing what they like, are reduced. For example, when extrinsic rewards are given to someone for performing an interesting task, it causes intrinsic interest in the task itself to decline. Extrinsic rewards have been a truism among employers in a condition whereby, if pay or other extrinsic rewards are to be effective motivators, individual’s performance should be aligned with it. Motivated individuals are motivated to perform tasks and demonstrate behaviors to gain tangible rewards such as pay increases, promotions and other fringe benefits (Barbuto & Scholl, 1998). People who pursue goals for extrinsic reasons are less likely to attain their goals and are less happy even when they do achieve them. It is because; the employees perceived that the goals are less meaningful to them.

Many organizations offer pay that exceeds the levels of remuneration set by the market as well as attractive fringe benefits. Managers may assume that employees will devote more effort into their work (Salop, 1979; Shapiro & Stiglitz, 1984) and attract the most effective or proficient employees (Akerlof & Yellen, 1988). A competitive pay might encourage discretionary effort (Akerlof, 1982) and fostered the inclination to engage in supportive and helpful behavior that enhance the organization achievement (Allen & Rush, 1998; Johnson, Erez, Kiker & Motowidlo, 2002). Meanwhile, According to Becton et al. (2008), if a person engages in OCBs for impression-management purposes (i.e. extrinsically motivation) or self-serving reasons, they are more likely to respond favorably to formal evaluation and reward of OCB since these outcomes are the very reason for the behavior.

Therefore, it was hypothesized that:

- H2: There is a positive relationship between extrinsic motivation and OCB among teachers who are extrinsically motivated.

3. Method

3.1 Sample and Procedure

Participants were secondary school teachers in Malaysia, who agreed to participate in the study and were selected randomly to represent a wide range of categories of teachers. With the principals’ permission, questionnaires were distributed to these teachers. Response rates were 100% (N=80). Regarding the teachers’ profile, man made up the majority (66.2%), Malays represent the largest ethnic group (99%), and half of the respondents (50%) fall under the age category of 26–35 year. With regards to their job grades category, more than half of the respondents fall under DG 41 (57.5%). In terms of tenure, 36.2 percent have tenured for 2 to 5 years, followed by 25.0 percent who served about 6 to 10 years and the remaining made up the rest. Majority of the respondents (62.5%) hold an undergraduate/professional degree.

3.2 Measures

OCBs. The researcher adopted the scale developed by Organ (1988) to measure organizational citizenship behaviors. OCBs have 15-items measured through three dimensions, namely altruism (behaviour directed at helping a specific person at work),
generalized compliance (activities such as doing more than what is required to meet minimum task requirements), and sportsmanship (tolerance of the nuisances on the job). The participants responded on five-point Likert type scale. Examples of the items asked are: “I like to come up with new, original ideas for handling work”, “I cooperate well with those around me”, “If getting a chance to choose another work, I prefer to stay with my current job.”

**Intrinsic motivation.** The 10-items scale developed by Kuvaas (2009) was adapted to measure intrinsic motivation. Intrinsic motivation was measured through two dimensions, namely job autonomy (intrinsic motivational factors derived from the work itself) and characteristics of the tasks (creativity in work environments). The participants responded on five-point Likert type scale. Examples of the items asked are: “My job allows me to decide on my own how to go about doing my work”, “Unless my job gets done, other jobs cannot be completed.”

**Extrinsic motivation.** Extrinsic motivation was measured using 7-items scale through two dimensions namely, tangible reward (it can be in the form of pay increases, promotions and other fringe benefits) and social exchange relationship (the extent organizations can manage their relationship with employees). Tangible reward items were developed by Antoni (2009); Tremblay, Blanchard, Taylor, Pelletier, and Villeneuve (2009). Meanwhile for the social exchange relationship dimension, it was developed by Afzal, Ali, Khan, and Kashif (2010). The participants responded on five-point Likert type scale. Examples of the items asked are: “I choose this profession because I enjoy the social life”, “This occupation allows me to earn money.”

4. **Analyses and Results**

Table 1 provides means, standard deviations, reliability coefficients and Pearson correlations of the variables at the individual level (N=80)

Table 2 provides the regression analysis results used to test the hypotheses. The following presents the results of the study.

<table>
<thead>
<tr>
<th>Variables</th>
<th>M (SD)</th>
<th>Cronbach’s Alpha</th>
<th>1</th>
<th>2</th>
<th>3</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.OCBs</td>
<td>3.93 (.26)</td>
<td>.80</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.Intrinsic Motivation</td>
<td>3.88 (.29)</td>
<td>.71</td>
<td>.68**</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>3.Extrinsic Motivation</td>
<td>3.78 (.45)</td>
<td>.71</td>
<td>.50**</td>
<td>.66**</td>
<td>1</td>
</tr>
</tbody>
</table>

**Note:** M=Mean; SD=Standard Deviation

Table 1 shows that the results for means value for the entire variables under study was slightly above moderate level (on a 5-point scale). The mean on extrinsic motivation (M=3.7812, SD=.26 on a 5-point scale), the mean on OCBs (M=3.9346, SD=.29 on a 5-point scale) and the mean on intrinsic motivation (M=3.78,SD=.45 on a 5-point scale). Cronbach’s Alpha values range from .71 -.80 indicate the acceptable level of reliability of the measures. The results of Pearson correlations show that both intrinsic and extrinsic motivations have correlated well with OCBs.
Table 2
Results of Regression Analysis on OCBs

<table>
<thead>
<tr>
<th>Variables</th>
<th>Standardized Beta Coefficients (B)</th>
<th>t</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intrinsic Motivation</td>
<td>.627**</td>
<td>5.64</td>
<td>.000</td>
</tr>
<tr>
<td>Extrinsic Motivation</td>
<td>.082</td>
<td>.734</td>
<td>.465</td>
</tr>
<tr>
<td>R Square</td>
<td>.468</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted R Square</td>
<td>.454</td>
<td></td>
<td></td>
</tr>
<tr>
<td>F-Value</td>
<td>33.804</td>
<td></td>
<td>.000</td>
</tr>
</tbody>
</table>

**p<.001

To test the hypotheses of the study, regression analysis was performed. Table 2 shows the R-square value of .468. This indicates that 46.8% of the variance in the OCB is accounted for by intrinsic motivation and extrinsic motivation. The Adjusted R Square is considered a better population estimate and is useful to explain, when comparing the R Square values between models with different number of independent variables because it is more precise for a small number of respondents. The value of Adjusted R Square obtained is 0.454, illustrate that 45.4% changes of dependent variable which is OCB can be explained by the two independent variables which are intrinsic motivation and extrinsic motivation.

The Beta values indicate that the relative influence of the variables that is, intrinsic motivation was significant and indicates positive relationship which has the greatest influences on OCB (B= .627, p = .000). However, extrinsic motivation was found to be not significant (B=.082, p >.005, which is .465). Thus hypothesis 1 was supported and hypothesis 2 was not supported.

5. Discussion

The purpose of this study was to identify the level of OCBs among secondary teachers and to investigate the relationship between intrinsic and extrinsic motivation on teachers’ OCBs. The descriptive result of the mean value for OCB in this study revealed a slightly above moderate level of OCBs demonstrated by teachers in this study. This indicates that discretionary behavior or extra-role behaviors among teachers in this study was not that high. This could plausibly due to the nature of teachers’ in-role behaviors or those behaviors that demand most of their time as prescribed in the job descriptions have refrained them from actively participated in the extra-role behaviors which is deemed to be voluntary in nature or self-initiated and not part of the formal reward system in organization. It could also due to what Haworth and Levy (2001) and Tepper et al. (2001) had stressed that in previous research, employees frequently perceive presumed OCBs as role-prescribed, nondiscretionary, and/or rewarded imply that the commonly accepted definition does not accurately characterize employees’ perceptions of OCB.

Beyond the conventional definition of OCB, it is interesting to note the possibility that OCB can also arise from other motive, where some of them less voluntary or less self-initiated. None of the studies previously considered the possibility of other motives, with the exception of Vigoda-Gadot (2006). Among these motivations are the abusive and exploitative behavior of immediate supervisors and the pressure by management or peers to become involved in activities in which the employee would otherwise not involve himself (i.e., Tepper, 2000). Thus, while the conventional approach has defined OCB on the assumption that all extra-role
behaviors and OCBs are rooted in employees’ “good will,” rarely has anyone taken a different perspective, suggesting compulsory antecedents to extra-role or citizenship behaviors in the workplace. Vigoda-Gadot (2006) suggested the concept of “compulsory OCB.” The compulsory OCB could be one of the explanations for the moderate level of OCBs among teachers in this study.

This study has shown that intrinsic motivation is important determinant of OCB among teachers. Success of schools fundamentally depends on teachers who are willing to go beyond role expectations, voluntarily. This study is consistent with Organ (1988) who found that intrinsic motivation internally stimulates the employees to display OCB. Furthermore, Zeinabadi (2010) suggested that the school principal should emphasis on teacher’s intrinsic rewards (e.g. job meaningfulness, job responsibilities, and job challenge) and endeavor to increase teacher’s tense of intrinsic satisfaction, rather than offering extrinsic rewards. Other studies have considered intrinsic motivation such as autonomy as part of empowerment dimensions concern the discretionary powers and freedom with respect to work goals, setting priorities, shaping task elements, and determining the order and tempo in which tasks are executed (e.g. Kwakman, 2003; Xanthopoulou, Demerouti, Bakker, & Schaufeli, 2007). The more autonomy employees have in their jobs, the more opportunity they have to show extra-role behavior like OCB. Moreover, autonomy is a task characteristic that has a major impact on the psychological states of employees, like feeling responsible for work outcomes and job satisfaction (Hackman & Oldham, 1980; Podsakoff et al., 2000). As such, autonomy enhances employees’ motivation to put extra effort into their work and show organizational citizenship behavior (e.g., Chen & Chiu, 2009).

The result from regression analysis indicates that extrinsic motivation has no influence on teachers’ OCBs in this study. This could be due to the fact that teachers in this study were truly intrinsically motivated. Extra-role behaviors demonstrated were based on self-initiated and voluntarily not for impression-management purposes. Therefore, it seems plausible that the effects of evaluating and rewarding OCBs will likely differ depending on the motivation of the individual exhibiting OCB. If a person engages in OCBs for impression-management purposes (i.e. extrinsically motivation) and is rewarded for this behavior through the performance appraisal and reward systems, this increases the likelihood that this employee will continue to engage in citizenship behaviors since these outcomes are the very reason for their behavior.

6. Limitations and Further Research

Notwithstanding the merit of this study, several limitations should be noted. First, the selected measure to access teachers’ OCB by Organ (1988) employed in this study has been used mostly in other setting, like business organizations. Further study should consider a more suitable measure in the school setting (e.g., DiPaola & Tschannen-Moran, 2001). Second, the sample used in the study was limited to one school, and the findings should be treated with cautious in terms of generalizability to more heterogeneous samples. Finally, the variables selected in this study are limited to individual level of antecedents which may not capture the feature in school. Further study should consider other variables at individual, group, organizational or contextual level to fully understand teachers’ OCB.

7. Conclusions

The main goal of this research was to explore the relationship between intrinsic and extrinsic motivation on teachers’ OCB. The results demonstrate that intrinsic motivation, namely job
autonomy and characteristics of the tasks, are the important determinants of OCB among teachers. Therefore, this study should serve to encourage OCB researchers to focus more attention on the intrinsic motivation aspects to encourage teachers to actively involved in OCBs. Behaviors that go beyond in-role duties become a fundamental component for achieving effectiveness in schools and schools could not achieve their goals if teachers limited their contributions only to those specified in their job descriptions. Therefore, it is important to understand the specific motives that might boost teachers’ willingness to engage in OCBs and to choose where to invest more resource to encourage such behaviors.

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Perceived Personal Impact and Trust in Management as a determinants for resistance to change.

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Abstract

This study examines the determinants to resistance to change in a business organization. Two factors namely Perceived Personal Impact and Trust in Management were selected to test the possibility of having a simple but comprehensive model that can predict resistance to change. A survey questionnaire was chosen as the instrument of choice to collect the data for this study. Collected data was entered into SPSS 12.0 for statistical analysis. The data was then analyzed using Pearson Correlation Analysis and Multiple Regression Analysis to test the hypotheses. The two factors were found to have a relationship with resistance to change. The findings from this research helps to explain how change resistance antecedents relates to one another and the circumstances that it can become the underlying factor that results in resistance to change at workplace.

Keywords: Resistance to change, Perceived personal impact, Trust

Introduction

Resistance is a natural phenomenon in change progress. The failure of many large-scale corporate change programs can be traced directly to employee resistance (Bovey & Hede, 2001). Literature on managing the change transitions recommends that managers survey the reactions of those affected; quickly detect and correct what does not work; continually remind those affected of the objectives of the change; exchange ideas directly with these individuals as often as possible; pay attention to people; highlight efforts and provide support to keep energy levels high (Collerette, Delisle, & Perron, 1997, as cited in Bareil, 2004).

Organizational development literature has predominantly followed an organizational systems or macro orientation to the the study of change. Fewer studies have followed a more “people focused” orientation to the research of organizational change (Herscovitch & Meyer, 2002 as cited in Orth, 2002). A search on literature for surveys that can measure change resistance yielded very few studies that can simplify and summarize the issue of change resistance and present it as a comprehensive model that identifies the core factors that causes resistance to change from employee perspectives. Researches on change resistance are too scattered that it lacks a cohesive presentation on what are the common factors that can cause resistance and how the resistance itself can be measured. Due to the need for researchers to narrow down the scope of their research, there is lack of researches on change resistance which
comprehensively cover the core antecedents that causes resistance to change from employee perspectives.

From many issues that may rise from a change process, employee resistance is possibly the greatest factor that will decide the success or failure of the change initiative as it is the individual employees who will respond to and carry out the desired change. In order to be an effective change agent, the people who are driving the change will need additional information at the individual level of employees to understand what factors that may lead resistance to change. A simplified yet comprehensive model is needed to identify the factors that can predict resistance to change.

**Resistance to Change**

Resistance to change has generally been understood as a result of personal experiences and assessments about the reliability of others. Accordingly, attempts are made to alter these factors in order to win support and overcome resistance (Ford & McNamara, 2002). When taken as a whole, much of the literature on resistance to change deals with the underlying factors that causes employees to indicate resistance behaviors towards change. The literature on organizational development and change is replete with research on how individual differences influence responses to experiences towards change normally in negative way which is an indication of resistance to change. Successfully dealing with resistance ultimately depends on an ability to represent accurately and describe the source of resistance in the individual and to choose and implement strategies appropriate for addressing and overcoming that source of resistance (Ford et al. 2002).

The literature has various interpretations and definitions of the resistance construct. Resistance is researched as having many forms such as active or passive (Herscovitch & Meyer, 2002), and covert or overt (Clark & Koonce, 1997). While there is many theories on type of resistance, Herscovitch (2004) provided an additional dimension towards resistance to change by saying that resistance to change can be breakdown into three types namely: (1) Constructive Resistance, (2) Aggressive Resistance and (3) Passive Resistance. Constructive Resistance consists of active attempts to prevent/terminate a change initiative that are expressed in an appropriate manner and that take into account the organization’s objectives. Aggressive Resistance also consist of active attempts to prevent/terminate a change initiative but expressed in a more hostile and destructive manner. Passive Resistance is also destructive in nature but it represents a less confrontational form of behavior characterized by attempts to avoid change initiative or indirectly contribute to its downfall.

On a general note, change can be unsettling, unnerving and intimidating. Even anticipated and welcomed change can cause fear, stress, resentment and resistance. For leaders, these resistances to change reactions are often viewed as roadblock and must be overcome. Reactions to change often follow a series of stages: denial, resistance, exploration, questioning, reflection and finally commitment. In resistance stage, people try to preserve familiar ways of doing things. Resistance to change is often manifested as anger, negative and pessimistic thoughts and statements, expressed frustration, anxiety and fear. Leaders who ignore or dismiss resistance reactions in their subordinates undergoing change may end up with a withdrawn, self absorbed, disoriented and immobilized workforce (Calarco & Gurvis, 2006).

Some view resistance as an unavoidable and natural behavioral response to the perceived threat of change. It may be seen to be politically motivated and part of a coordinated of class struggle or to be a constructive counter balance to organizational change (Mabin, Forgeson, & Green, 2001). People will not resist change as an automatic reaction. They will resist the way
in which change is handled, because it is sometimes seen as destabilizing at an organizational level, and threatening at a personal level. The question of rewards can also be part of the mindset of the resister. For some, one of the outcomes of a change project will be material reward. For others, this will not be so, and there will sometimes be all-round losers. The task of management, in planning how to deal with resistance based on a suspicious view of the personal outcome, is to present the change, as far as possible, as a rewarding professional and personal development. For the losers, it is also vital to create the opportunity of a way out which allows for the retention of some dignity. There is also a way of actively dealing with resistance during the change process. This does not mean the sometimes unavoidable necessity of reacting to unforeseen trouble, but planning to identify resistance, dealing with its causes, and using resistance positively where possible in order to improve the process. This is part of the strategy of change management, and it is an early consideration in the process (Lyndon, 2007).

As status differences erode, some employees are coming to expect involvement in decisions about organizational change. Successful organizational adaptation is increasingly reliant on generating employee support and enthusiasm for proposed changes, rather than merely overcoming resistance (Piderit, 2000). Even then, change resistance remains one of the biggest challenges for organizations that are trying to implement changes.

Management should never assume that the reason resistance to a particular change initiative is occurring is because people don’t like change. To object in writing to a change initiative or to stand in front of management and verbalize it is an act of courage. Management should, therefore, carefully consider any actions that are perceived to be resistant towards the proposed change initiative, because the organizational change actions may well be grounded in the reality that the change initiative either is the wrong initiative altogether, or is flawed in some way. Resistances of this nature are normally constructive in manner with the view of the well-being of the organization becoming a prime concern for employees (Herscovitch, 2004).

Even if there is no overt resistance to the change initiative, management should never assume that it has crafted the perfect change initiative because, it needs an act of courage to verbalize opposition to a change initiative that might be carrying the endorsement of the highest levels of management (Self & Schraeder, 2009). While most of the literature related to change resistance identifies it as an element that prohibits or hinders the change process, there are some opinions that views resistance to change as a positive force in the change process. Perren and Megginson (1996) suggested that prevailing view of resistance to change might be wrong and that far from being a hindrance, it could actually be a benefit to an organization. At its best, such resistance could be seen as natural survival mechanism within organizations that tests, adapts and sometimes stops decisions by fallible and often ill-informed senior managers. Change agents may learn much to their advantage by attending to the messages of resistors. Often, those who resist change will have more detailed understanding of the organizational consequences than those who are driving the change. Resistance should be seen as an opportunity rather than a problem. Resistance can be used by the change leader as a tool to alert areas that needed attention and situations that may require further thought (Gullickson, 2009).

Resistance has been classically understood as a foundation cause of conflict that is undesirable and detrimental to organizational health. However, resistance plays a crucial role in influencing the organization toward greater stability. While pressure from external and internal environments continues to encourage change, resistance is a factor that can balance these demands against the need for constancy and stability. Human systems remaining in a steady state encourage processes and specializations to stabilize, consolidate, and improve which allows the organization a level of predictability and control. Resistance plays a crucial role in drawing attention to aspects of change that may be inappropriate, not well thought through, or perhaps plain wrong. With resistance and conflict comes the energy or motivation
to seriously address the problem at hand. In addition to injecting energy into a change process, resistance also encourages the search for alternative methods and outcomes in order to synthesize the conflicting opinions that may exist. Thus, resistance becomes a critical source of innovation in a change process as more possibilities are considered and evaluated (Waddell & Sohal, 1998). As such, resistance to change is an essential factor to be considered in any change process, since a proper management of resistance is the key for change success or failure. By resistance to change we understand any phenomenon that hinders the process at its beginning or its development aiming to keep the current situation (Pardo & Fuentes, 2003). One of the few determinants of whether employee will accept or resist change is the extent to which the change is perceived as beneficial versus detrimental to them (Oreg, 2006). Employees will assess to what extent the change will impact them personally before deciding to support or resist the change. Five main elements are most commonly cited in the literature that impacts employees personally during the change process. The five elements are Job Security, Loss of Expertise, Diminishing influence, authority and control, Loss of Social Status and Change in customs and long held practices and behaviors. These five elements are combined and will be presented as a Personal Impact antecedent in this study.

Massive changes may also threaten employee job security. Change may alter the nature of the job or even diminish some roles altogether. What the individual perceives as potential loss of continuity in a job situation can span the range from permanent loss of the job itself to loss of some subjectively important feature of the job. Loss of valued job features is an important but often overlooked aspect of job security. The phenomenon is experienced as a type of job loss in as much as it involves losing the job as the affected employee currently knows it. The findings involving propensity to leave and resistance to change are consistent across studies with regards to job security (Greenhalgh & Rosenblatt, 1984).

Evanski (1996) identified personal loss as one of key components of resistance to change. Personal loss is characterized by the feeling that with the installment of the change, something positive would be lost. Subcomponents under personal loss were loss of expertise, lost of primacy and loss of routine. The loss of expertise was related to the perception that the change would cause a loss of expertness due to the change. The loss of primacy refers to the patterns or techniques that were discovered when a person is confronted with certain tasks. It appears that resistance may come if an employee perceives that the change would cause him deviate or modify this primacy. The loss of routine means a resistance attitude if the perception was that the change would require employees to change their habits or routines.

Locus of control is also a form of resistance to change attitude. People who strongly believe that the locus of control is internal ("internals") believe that they have control over change events. If they see a reasonable probability of success, they are not afraid of change. Even if high internals attribute changes to external causes, they may still feel able to influence the course of change or feel confident about coping with it. This is not to argue that individuals with a high internal locus of control will never resist change. If, for example, such people thought that a particular change would be detrimental to their organization, they might be more likely to resist the change than would people who considered control over events external, since the former would be more likely to believe that their resistance would be successful (Chung Ming & Woodman, 1995).

Many organizations found change to be a real challenge due to change process in each organization is unique in each situation. One such challenge that exist in change process is the influence of organizational culture. Organizational culture refers to a set of shared values, belief, assumptions and practices that shape and guide members attitude and behaviour in the organization (Wilson, 2001 as cited in Abdul Rashid, Sambasivan, & Abdul Rahman, 2004). In their study of the influence of organizational culture on attitudes towards organizational change, it is found that organizational culture indeed has an effect in the organizational change process. The findings of the study suggests that if organizational culture promotes
single minded dedication to the organization’s mission and goals, quick response to changes in the environment and an unwillingness to accept poor performance, people are more receptive to change. Meanwhile, people will resist change if the organizational culture promotes a tolerance of poor performance and insufficient focus on mission, strategy and goals (Abdul Rashid, Sambasivan, & Abdul Rahman, 2004).

An organization culture is the largest and most controlling element in change resistance as it sets the standard for the ways things are done in an organization. It dictates how informal or individualistic people in the workplace are permitted to be. Culture also lays down the norms for the way social systems operate in the workplace. Culture tells what kind of politics are allowed and how members of an organization are allowed to play the political game (Egan, 1994 as cited in Lennox, 1994).

Trust may be thought of as not deliberately or accidentally, consciously or unconsciously taking unfair advantage of a person. It means that one can put one’s situation at the moment, status and self esteem in the group, relationship, job, career, even life in the other person’s hands with complete confidence (McGregor, 1967 as cited in Proctor & Doukakis, 2003). Trust means a belief that those whom we depend on will meet our expectation on them. In the case of change management, employees will expect for the management to act fairly and do what is best for the employees as a result of the change. Employees will exhibit trust on the management if they perceive that the management is forthright and honest with them and not withholding any information to manipulate them or other. They will have to believe that the management is really interested in them as persons and have their best interest at heart (Proctor & Doukakis, 2003).

Perceived Personal Impact and Resistance to Change

Orth (2010) in his study on factors related to resistance and support of change found that perceived benefits of change had strong relationship with commitment to change, support of change and resistance. Individuals may carefully evaluate the consequences of a change and weigh the benefits against the cost before committing themselves to resisting or supporting the change. The study suggests that rather than automatically resisting change, individuals consider the consequences of the change before acting for or against it. Individual buy-in of the change depends on the interest of the individuals are met. People must see ways they will benefit from the change in order to buy in or support the change. Depending on how the change impact the person facing the change personally, it may lead a person to act in one way or another; that is support the change or resist the change (Morgan, 1997). Thus we hypothesized that:

H1: There will be a positive relationship between perceived personal impact and resistance to change.

Trust in Management and Resistance to Change

Trust may be thought of as not deliberately or accidentally, consciously or unconsciously taking unfair advantage of a person. It means that one can put one’s situation at the moment, status and self-esteem in the group, relationship, job, career, even life in the other person’s hands with complete confidence (McGregor, 1967 as cited in Proctor & Doukakis, 2003). Trust means a belief that those whom we depend on will meet our expectation on them. In the case of change management, employees will expect for the management to act fairly and do what is best for the employees as a result of the change. Employees will exhibit trust on the
management if they perceive that the management is forthright and honest with them and not withholding any information to manipulate them or other. They will have to believe that the management is really interested in them as persons and have their best interest at heart (Proctor & Doukakis, 2003).

In his investigation of resistance to change to organizational change, Oreg (2006) found that Trust in management in the form of lack of faith in the leadership strongly related to increased resistance to organizational change. Karim and Kathawala (2005) list distrust of management as significant cause for resistance. While many factors causes employees to resist change, there is also a concern that the management or leadership itself could cause resistance to change. Some staff does resist change, but the blame for unsuccessful organizational change must lay with those who are responsible for implementing it not other things or other people. Poor leaders and weak managers were an obstacle for effective organizational change. Employees who did not get clear guidance and direction from the leaders are more prone to resistance to change. Leadership is poor when there is no clear vision and mission. When management fails to lead and manage the organization up to the expectations of the employees can create a culture which is resistance to change (Hoag, Ritschard, & Cooper, 2002). Thus we hypothesized that:

**H2**: There will be negative relation between Trust In Management and resistance to change.

**Methodology**

The study was conducted at a technology company in Penang. The population for this study is 1960 employees and the sample size is 320 (Krejcie & Morgan, 1970). The sample were taken from three departments namely Human Resource, Information Technology and Manufacturing departments. Table 1 summarized the measurements for the study.

**Table 1: Measurement for the study**

<table>
<thead>
<tr>
<th>Variables</th>
<th>Total Number of Items</th>
<th>Scales</th>
<th>Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perceived Personal Impact</td>
<td>5</td>
<td>Likert Scale 1-5</td>
<td>(Leigh, 2000)</td>
</tr>
<tr>
<td>Resistance to Change</td>
<td>12</td>
<td>Likert Scale 1-5</td>
<td>(Herscovitch, 2004)</td>
</tr>
<tr>
<td>Trust in Management</td>
<td>5</td>
<td>Likert Scale 1-5</td>
<td>(Bouckenooghe, Devos, &amp; Broeck, 2009)</td>
</tr>
</tbody>
</table>

The data for this study was collected through an online survey. Personalized email was sent to the identified subjects in the population introducing about this study and its purpose and
seeking their cooperation. The respondents were assured of the confidentiality of their response and identity. A total of 400 questionnaires were sent via email to three departments. However, only 131 respondents answer the questionnaires completely.

**Findings and Discussions**

Table 2 shows the sample characteristics of the respondents. The respondents come from three departments. 28 (21.4%) from HR department, 40 (30.5%) from IT department, while 63 (48.1%) from manufacturing department. In terms of job grade, 10 (7.6%) respondents are manager, 74 (56.4%) Exempt, while 47 (35.9%) are non exempt. The majority of the respondents came from the male employees with a frequency of 71 or 54.2% of total respondents. The female employee accounts 45.8% or 60 respondents out of the total respondents. In terms of length of service, most of the respondents are between 1 to 10 years of service.

**Table 2. Sample characteristics**

<table>
<thead>
<tr>
<th>Demographic variables</th>
<th>Frequency n=121</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Department</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Human Resource</td>
<td>28</td>
<td>21.4</td>
</tr>
<tr>
<td>Information Technology</td>
<td>40</td>
<td>30.5</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>63</td>
<td>48.1</td>
</tr>
<tr>
<td><strong>Gender</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>60</td>
<td>45.8</td>
</tr>
<tr>
<td>Female</td>
<td>71</td>
<td>54.2</td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Below 20</td>
<td>13</td>
<td>10.7</td>
</tr>
<tr>
<td>21-30</td>
<td>59</td>
<td>48.8</td>
</tr>
<tr>
<td>31-40</td>
<td>45</td>
<td>37.2</td>
</tr>
<tr>
<td>More than 40</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Job grade</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manager</td>
<td>10</td>
<td>7.6</td>
</tr>
<tr>
<td>Exempt</td>
<td>74</td>
<td>56.5</td>
</tr>
<tr>
<td>Non-exempt</td>
<td>47</td>
<td>35.9</td>
</tr>
<tr>
<td><strong>Years of service</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-10</td>
<td>120</td>
<td>91.6</td>
</tr>
<tr>
<td>More than 10</td>
<td>11</td>
<td>8.4</td>
</tr>
</tbody>
</table>

**Table 3. Standard Multiple Regression Result: Coefficients of Resistance to Change**
The beta(β) values are Perceived Personal Impact(β=.416, p<.05) and Trust In Management (β= -.199, p<.05). Perceived Personal Impact and Trust In Management have a Sig. value less than .05 which is an indication that these two variables are making a statistically significant unique contribution to the prediction of the dependent variable. As such it can be summarized that Perceived Personal Impact (β=.416) is the strongest unique contributor in explaining resistance to change followed by Trust In Management (β= -.199). The two research questions can be answered based on these findings. The proposed model only explains 31.6% of the variance in employee’s resistance to change. As such, the model is not comprehensive enough to effectively predict resistance to change. From this analysis, it is evident that the strongest variables that influence resistance to change is Perceived Personal Impact.

Research Objective 1: To examine the relationship between perceived personal impact and resistance to change.

Perceived Personal Impact in this study refers to how employees perceived the change at the work place will impact them at personal level. Using Pearson Correlation Analysis, it was found that perceived personal impact has a significant high positive relationship with resistance to change [r=.511, n=131, p<.001]. It is further confirmed in Multiple Regression Analysis that Perceived Personal Impact (β=.416, p< .01) is making a significant unique contribution to the prediction of the resistance to change. This means that employees assess the level of impact the change had on them before giving a reaction towards the change. If the change has high personal impact then employees tendencies to resist to change also increases by adopting resistance behaviors at their workplace. This finding is consistent with what (Leigh, 2000) explained about factors that are underlying causes of resistance. Resistances to change among individual employees are mainly tied to the self interest factor. If employees are bound to lose something as a result of change then employees may engage in defensive and resistant behaviors. There is a direct relationship between perceived personal impact and resistance to change. There are many sources from the literature that uses the theories of individual needs to predict when organizational change will be resisted. Dirks, Cummings and Pierce (1996) proposed a theory with three basic needs that is relevant for an individual to resist or support organizational change. The three basic needs are:

- Self Enhancement – Defined as the desire to achieve high self esteem
- Self Continuity – Defined as the desire to maintain stability of one’s self concept over time and across situations
- Control and Efficacy – Defined as desire to maintain control over one’s self and demonstrate one’s ability to cope effectively with the environment.
Change that results in personal losses that impacts one or more personal impact factors defined as above will cause resistance to change. As such, measuring and identifying personal impact becomes one of the most fundamental area that need to be focused in managing change resistance.

**Research Objective 2:** To examine the relationship between trust in management and resistance to change.

In the context of this research, trust in management refers to how employees perceive their management as trustworthy in leading the change effort. The Pearson Correlation Analysis between the two variables indicated a medium, negative correlation between Trust in Management and resistance to change \( r = -.374, n=131, p<.001 \). Multiple regression analysis also indicated that Trust In Management \( \beta = -.199, p < .05 \) made a unique significant contribution in predicting resistance to change. The findings echo what was reported by Oreg (2006) where trust in management had significant effects on resistance to change. In other words, lack of trust in management will result in increased resistance behaviors which may be constructive or destructive in nature. Weinbach (1994) suggested that lack of confidence or trust in management was identified as one important factor affecting resistance to change. If employees do not have trust in the management leading the change, they would potentially resist changes. Similarly, Gardner (1987) also identified lack of trust in management as factor that increased the level of resistance to change. As such, the relationship between trust in management and resistance to change does exist.

**Conclusions**

Change resistance is a natural and expected part of any organizational change. Understanding why and how resistance to change occurs and developing the ability to respond effectively is crucial to the success or failure of change efforts. The key to effective managing change resistance is to clearly understand the nature and reasons for resistance (Smith, 2006). This study undertook the challenge of finding a simple but comprehensive model that can predict resistance to change. When introducing changes, organizations must evaluate what are the personal impacts for the employees and map out the action plan to counter their worries so that resistance can be reduced.

**References**


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Etika Kerja Islam Sebagai Penyederhana Dalam Hubungan Antara Kecerdasan Emosi Dan Kepimpinan Pentadbir Universiti Awam

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ABSTRAK


KATA KUNCI: Etika kerja Islam, Kecerdasan emosi, Kepimpinan

1. Latar belakang

Pada tahun 1997, Kementerian Pendidikan Malaysia (KPM) (Kementerian Pengajian Tinggi – KPT, pada ketika itu), mengumumkan hasrat Kerajaan untuk menjadikan negara ini sebagai pusat kecemerlangan pendidikan tinggi (Malaysia, 2006). Sejak itu, KPM telah memperkenalkan beberapa bentuk pembaharuan bertujuan menggalakkan kemasukan lebih


2. Pernyataan masalah


yang cemerlang dan kecekapan pengurusan adalah satu kemestian dalam usaha untuk menggalakkan universiti awam mencapai piawai antarabangsa (Bolden et al., 2008).


Sungguhpun terdapat kajian terdahulu yang agak besar berkaitan pembolehubah kecerdasan emosi dan kepimpinan, tetapi hanya sedikit yang diketahui mengenai kesan penyederaana etika kerja Islam ke atas hubungan antara kecerdasan dan kepimpinan di kalangan pentadbir institusi pendidikan tinggi terutamanya mereka yang berada di IPTA.

3. Ulasan karya


penting di tempat kerja, yang memisahkan pemimpin yang berkesan dari yang sebaliknya. Lebih tinggi tahap seseorang itu berada dalam sesuatu organisasi, kemahiran teknikal dan keupayaan kognitif menjadi semakin kurang penting, tetapi kecerdasan emosi menjadi semakin penting (Goleman, 1998b).


Berdasarkan perbincangan di atas, cadangan kerangka kajian seperti Rajah 1 di bawah.
Rajah 1: Cadangan kerangka kajian

4. **Teori Dasar**


5. **Kesimpulan**

Sejak kebelakangan ini, kajian mengenai hubungan antara kecerdasan emosi dan kepimpinan telah mendapat perhatian yang besar di kalangan ahli akademik dan juga sektor swasta. Kajian terdahulu mencadangkan kecerdasan emosi mempunyai hubungan yang positif dengan amalan kepimpinan. Berdasarkan model abiliti, empat elemen kecerdasan emosi iaitu penilaian emosi, ekspresi emosi, penguasaan, dan memanfaatkan emosi akan digunakan dalam kajian ini. Manakala gaya kepimpinan pula merujuk kepada gaya kepimpinan transformasi dan kepimpinan transaksi. Berdasarkan model tersebut juga, empat elemen kecerdasan emosi digunakan sebagai pembolehubah bebas dan amalan kepimpinan adalah pembolehubah bersandar.

Kajian terdahulu turut melihat hubungan antara kecerdasan emosi dan kepimpinan, antara kecerdasan emosi dan budaya-nilai, dan antara budaya-nilai dan kepimpinan. Selain itu, kepimpinan transformasi dikatakan mempunyai nilai yang tinggi, keadilan, kesetiaan, kejujuran, kesaksamaan, keadilan, dan hak asasi manusia. Kajian ini berhasrat untuk melihat kemungkinan hubungan (kesan penyederhana) etika kerja Islam dalam hubungan antara pembolehubah kecerdasan emosi dan pembolehubah kepimpinan kerana persoalan ini masih kurang diberi perhatian yang serius sehingga kini.

**RUJUKAN**


Hubungan Di Antara Persepsi Risiko Terhadap Ekspedisi Pendakian Adventur Dan Kemahiran Pemikiran Kritis

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ABSTRAK

Bidang adventur luar sebagai asas pembelajaran adalah tidak bercanggahan dengan teori-teori pembelajaran eksperiensial. Kajian ini dijalankan untuk mengkaji hubungan di antara persepsi risiko dan kemahiran pemikiran kritis dengan berlatarbelakangan kepada aktiviti pendakian adventur gunung-gunung di Semenanjung Malaysia. Sampel kajian ini adalah terdiri daripada 112 mahasiswa-mahasiswi institusi-institusi pengajian tinggi. 2 set borang soalselidik ditadbir ke atas setiap responden sebelum dan selepas ekspedisi yang disertai mereka. Data yang diperolehi membuktikan secara empirikal bahawa terdapat hubungan yang signifikan lagi kuat dan positif di antara persepsi risiko dengan kemahiran pemikiran kritis. Sehubungan dengan itu, bolehlah dibuat penaanakan bahawa peningkatan kemahiran tersebut telah didapati selari dengan peningkatan persepsi risiko para responden. Dengan itu, mana-mana ekspedisi pendakian adventur yang ditingkatkan tahap persepsi risiko peserta-pesertanya akan juga dapat dilihat peningkatan kepada tahap kemahiran pemikiran kritis mereka.

Kata kunci: Persepsi risiko, Kemahiran pemikiran kritis, Latihan dan pembangunan, Pembelajaran eksperiensial, Latihan adventur.
1. **Pengenalan**


2. **Tinjauan Literatur**


3. **Kerangka Teoritikal**

Berdasarkan kepada perbincangan di atas, dua pembolehubah yang menunjangi dan membentuk kerangka teoritikal kajian ini telah dikenalpasti dan dioperasikan. Pembolehubah-pembolehubah tersebut ialah kemahiran pemikiran kritis dan persepsi risiko.
Rajah 1 menjelaskan secara visual akan hubungan di antara kedua-dua pembahubah kajian tersebut.

<table>
<thead>
<tr>
<th>PERSEPSI RISIKO</th>
<th>KEMahirAN PEMIKIRAN KRITIS</th>
</tr>
</thead>
</table>

Rajah 1
*Kerangka Teoritikal*

Umumnya, kerangka teoritikal di atas menjelaskan konteks kajian bahawa pendakian advetur yang jauh lagi dipenuhi dengan pelbagai rupabentuk mukabumi yang mencabar dan merbahaya serta memakan masa selama beberapa hari ini dijangka akan memberikan kesan ke atas persepsi risiko pendaki-pendakinya serta dijangka akan mempunyai hubungan pemikiran kritis mereka setelah melalui ranjau-ranjau perjalananannya yang panjang itu.

4. Metodologi

4.1 Responden Kajian

Populasi kajian ini adalah pendaki-pendaki yang menyertai salah satu daripada ekspedisi-ekspedisi pendakian adventur yang jauh lagi dipenuhi dengan pelbagai rupabentuk mukabumi yang mencabar dan merbahaya serta memakan masa selama beberapa hari ini dijangka akan memberikan kesan ke atas persepsi risiko pendaki-pendakinya serta dijangka akan mempunyai hubungan pemikiran kritis mereka setelah melalui ranjau-ranjau perjalananannya yang panjang itu.

Rekabentuk kajian ini yang memerlukan pengujian sebelum dan selepas aktiviti di samping jumlah pengajuan aktiviti yang tidak banyak serta jangkamasa kajian yang terhad dan kekangan kewangan, menjadikan jumlah populasi adalah terhad. Di dalam tempoh masa pengumpulan data dilaksanakan, penyelidik mendapati terdapat 17 pengajuan ekspedisi-ekspedisi dengan jumlah peserta seramai 315 orang. Jumlah pengajuan dan bilangan peserta ini diperolehi daripada Pejabat-Perhutanan Daerah yang berkenaan yang diterima serta jangkamasa kajian yang dihubungkan dari masa ke semasa di dalam tempoh pengumpulan data tersebut dengan merujuk kepada jumlah permit yang dikeluarkan dan senarai nama yang dikepilkan bersama-sama borang permohonan permit tersebut.

4.2 Instrumen Kajian

Borang soalselidik kajian ini menggabungkan dua instrumen mapan yang telah dibangunkan dan digunakan oleh penyelidik-penyelidik terdahulu dan dirasakan mampu untuk membantu
mencapai objektif kajian dengan mengambilkira keesahan dan reliabiliti konstruk serta kesesuaiannya dengan responden-responden kajian (Jadual 1).

**Jadual 1**

*Pembolehubah dan Instrumen*

<table>
<thead>
<tr>
<th>Pembolehubah</th>
<th>Rujukan</th>
<th>Nama Instrumen</th>
<th>Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kemahiran pemikiran kritis</td>
<td>Watson &amp; Glaser, 1980</td>
<td>Watson Glaser Critical</td>
<td>80</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Thinking Assessment Form A</td>
<td></td>
</tr>
<tr>
<td>Pesepsi risiko</td>
<td>Ward, 2008</td>
<td></td>
<td>20</td>
</tr>
</tbody>
</table>

Setelah melalui langkah-langkah untuk memastikan keesahan instrumen, instrumen kajian ini juga melalui proses pengujian kebolehpercayaan. Ujian kebolehpercayaan bertujuan mengukur tahap ketekalan instrumen yang digunakan. Keputusan ujian kebolehpercayaan menerusi pengukuran koefisien Alpha Cronbach adalah seperti berikut:

**Jadual 2**

*Ujian Kebolehpercayaan*

<table>
<thead>
<tr>
<th>Pembolehubah</th>
<th>Alpha Cronbach</th>
</tr>
</thead>
<tbody>
<tr>
<td>Persepsi Risiko</td>
<td>0.832</td>
</tr>
<tr>
<td>Kemahiran Pemikiran Kritis</td>
<td>0.703</td>
</tr>
</tbody>
</table>


**4.3 Analisis Data**

Secara khususnya, ujian korelasi pekali Pearson digunakan untuk melihat hubungan di antara persepsi risiko dan kemahiran pemikiran kritis.

**5. Dapatan Kajian**

Hipotesis ini diuji dengan menggunakan ujian korelasi Pearson dengan pembolehubah persepsi risiko dikorelasikan dengan skor kemahiran pemikiran kritis. Dapatan ujian ini ditunjukkan dalam Jadual 3 di bawah.
Jadual 3

*Korelasi Pearson antara persepsi risiko dan kemahiran pemikiran kritis*

<table>
<thead>
<tr>
<th>Korelasi</th>
<th>Persepsi Risiko</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.513**</td>
</tr>
</tbody>
</table>

** signifikan pada p<0.01

Jadual 3 di atas menunjukkan bahawa pembolehubah bebas kajian ini mempunyai hubungan yang positif dan signifikan ke atas pembolehubah bersandar pada aras keertian p<0.01. Tahap kekuatan hubungan antara persepsi risiko dengan kemahiran pemikiran kritis adalah besar.

6. Perbincangan

Seperti yang dibentangkan di atas, hipotesis tentang hubungan antara persepsi risiko dengan kemahiran pemikiran kritis adalah diterima, menandakan wujudnya hubungan yang signifikan dan positif antara persepsi risiko dengan kemahiran pemikiran kritis. Dengan merujuk kepada Garis Panduan Interpretasi Nilai Korelasi Pearson (Cohen, 1988), kajian ini mendapatkan tahap kekuatan hubungan antara persepsi risiko dengan kemahiran pemikiran kritis adalah besar iaitu pada nilai 0.5.


Penemuan ini membuka ruang kepada bidang latihan dan pembangunan pengurusan untuk meneroka kaedah-kaedah baharu membangunkan kemahiran pemikiran kritis memandangkan terdapatnya kajian-kajian lepas yang mendapat bahawa kaedah pembelajaran tradisional seperti syarah dan membaca-hafalan tidak menggalakkan pembentukan pemikiran kritis (DeVries & Zan, 2005; Klionsky, 1998) di samping kurangnya penekanan terhadap pembangunan kemahiran pemikiran kritis oleh institusi-institusi pengajian tinggi dengan dapatan-dapatan kajian menunjukkan tidak berlakunya sebarang peningkatan kepada kemahiran pemikiran kritis dalam kalangan pelajar-pelajar institusi pengajian tinggi di Amerika Syarikat sebelum dan selepas tamat pengajian mereka (Saucier, 1995; Colucciello,
Dengan kata lain, sekalipun pengurus-pengurus yang berada di pasaran kerja tidak tinggi kemahiran pemikiran kritis mereka akibat daripada kegagalan sistem pendidikan institusi-institusi pengajian tinggi membangunkannya, pihak organisasi boleh memainkan peranan pengganti melalui kaedah-kaedah latihan dan pembangunan pengurusan secara tidak formal, bukan formal malah insidental untuk meningkatkan kemahiran pemikiran kritis pengurus-pengurus mereka dengan mengintegrasikan risiko-risiko objektif dan subjektif ke dalam kaedah-kaedah tersebut.

7. Kesimpulan

Kajian ini dijalankan untuk melihat hubungan di antara persepsi risiko terhadap penglibatan di dalam ekspedisi pendakian adventur dengan kemahiran pemikiran kritis dengan berlatarbelakangkan kepada isu pembelajaran secara tidak langsung. Dapatan kajian ini telah menyokong hipotesis yang diunjurkan, di mana persepsi risiko telah didapati mempunyai hubungan yang signifikan, positif dan kuat dengan kemahiran pemikiran kritis. Sehubungan dengan itu, bolehlah dibuat penauakan bahawa peningkatan kemahiran tersebut telah didapati selari dengan peningkatan persepsi risiko para responden. Dengan itu, mana-mana ekspedisi pendakian adventur yang ditingkatkan tahap persepsi risiko peserta-pesertanya akan juga dapat dilihat peningkatan kepada tahap kemahiran pemikiran kritis mereka.

RUJUKAN


Knowledge and the Importance of Knowledge Sharing in Organizations

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ABSTRACT

The purpose of this paper is to discuss knowledge and the importance of knowledge sharing in organizations. Hence, this paper discusses in detail the different types of knowledge that are important in organizations and the definition of knowledge sharing. Besides that, this paper also details out the benefits of knowledge sharing in organizations and various factors that could influence knowledge sharing in organizations.

1. INTRODUCTION

The ability of organizations and individuals within them to share knowledge with each other, particularly organizational knowledge, is identified as one of the contributing factors to organizational competitiveness. Sharing of knowledge helps individuals and organizations build up knowledge. This is because it allows them to discuss and deliberate on certain topics which can encourage the generation of new knowledge (Fernie, et al., 2003).

Despite the importance of knowledge sharing in building up a firm’s organizational knowledge, which eventually improves the firm’s competitive edge, there are reasons to believe that employees are not willing to share their knowledge voluntarily. For example a study by Michailova and Husted (2003) revealed that there are five reasons why employees are reluctant to share knowledge. The reasons include (i) the fear of decrease personal value, (ii) cost involved, (iii) uncertainty of how the receiver will use the shared knowledge, (iv) accepting and respecting a strong hierarchical and formal power, and (v) actual negative consequences of sharing knowledge with subordinates. Although this study was conducted in Russia, a country where the authors themselves describes as hostile to knowledge sharing, it is quite relevant in other parts of the world. This is because it seems that the reluctance to share knowledge is also occurring elsewhere such as in Australia (Irmer, Bordia & Abusah, 2002), China (Hutchings & Michailova, 2004), Taiwan (Wang, 2004) and the United States of America (Jones & Price, 2004). Based on these findings one could expect this phenomenon to prevail in Malaysia given its cultural values concerning humility (Abdullah & Low, 2001).

Still, Hofstede’s (1983) study indicated that the Malaysian society is collectivistic in nature. In such a society, knowledge sharing should happen naturally because it is the tendency of a collectivistic society to help each other. Abdullah and Low (2001), on the other hand,
maintained that the Malaysian workplace is characterized with unique values and work culture. The Malaysians are often considered as very shy people and are very concerned about saving ‘face’, or should we say afraid of ‘losing face’. Most of us are afraid of making mistakes and receiving negative feedback, even though we are not sure that we will be getting one. Furthermore, the idea of giving and receiving praise also makes some of us feel ill at ease. Therefore, when it comes to sharing knowledge, some of us can be quite reserved in expressing our ideas and opinions, much less voluntarily offering our knowledge to other people. Besides, there are other countries which are also considered as having a collectivistic culture but having problems where knowledge sharing is concerned, for example China (Hutchings & Michailova, 2004). Hence it is the objective of this paper to discuss knowledge sharing and the importance of knowledge sharing within an organization.

2. KNOWLEDGE AND TYPES OF KNOWLEDGE

Knowledge is not an easy concept to discuss. In order to understand what knowledge is, it is important to understand how it relates to data and information. In general, past literatures have identified the distinctions between data, information, and knowledge. Data is commonly described as a set of discrete, objective facts about events; while information is a collection of data and associated explanations, interpretations, and other textual material concerning a particular object, event, or process. Knowledge on the other hand, is a more complex concept to define. Bergeron (2003) defined it as information that is organized, synthesized or summarized to enhance comprehension, awareness, or understanding. Similarly, Karlsen and Gottschalk (2004) defined knowledge as information combined with experience, context, interpretation, reflection, intuition and creativity. Likewise, Davenport and Prusak (1998) sees it as:

“a fluid mix of framed experience, values, contextual information, and expert insight that provides framework for evaluating and incorporating new experiences and information. It originates and is applied in the minds of knowers. In organizations, it often becomes embedded not only in documents or repositories but also in organizational routines, processes, practices, and norms.” (p. 5)

In short, knowledge by far is more comprehensive and more valuable compared to information and data. It is mainly attached to the individual who owns and uses it, and manifests itself in many different ways. For example, we can see knowledge at work by the way people make decisions, by a certain peculiar way people do their jobs, and through people’s creativity in completing their work.

There are several ways in which knowledge is categorized. For example, knowledge can be categorized into declarative and procedural knowledge. Declarative knowledge is basically the ‘knowing that’ type of knowledge which relates to factual information, while procedural knowledge is the ‘knowing how’ type of knowledge which concerns the process underlying actions (Leach, Wall & Jackson, 2003). However, most literatures categorize knowledge into two major forms; tacit and explicit (Nonaka & Takeuchi, 1995). Nevertheless, there are others who identified a third form of knowledge known as implicit knowledge (Bergeron, 2003). According to Bergeron (2003), explicit knowledge is the type that can be easily explained and codified, and are available in books, manuals and other types of publications. Tacit knowledge, on the other hand, is the type that is difficult to verbalize and codify because it is ingrained at a subconscious level. Implicit knowledge is the type of knowledge that is somewhere between tacit and explicit. Like tacit knowledge, implicit knowledge exists at the subconscious level, but it can be extracted through the process of knowledge engineering (Bergeron, 2003). Despite this distinction, most discussions focus on tacit and explicit knowledge only because most of the time, implicit knowledge is treated as explicit knowledge due to its codifiable nature.
Organizations are like seas of knowledge. There is no limit to the amount of knowledge that an organization has. However, where the issue of knowledge sharing is concerned, it is most important that employees share their job-related knowledge with each other, so that they will be able to perform their job better and eventually lead to higher organizational performance.

2.1 Job-Related Knowledge

The knowledge that individuals possess in relation to the jobs they are doing is known as job-related knowledge or job knowledge. Job-related knowledge encompasses job-related entities, such as operational thoughts, behaviors, standard operation procedures, organizational routines, and competitor and customer knowledge, as well as individuals' insights and their past working experience which is relevant to the current job (Yang, 2004). Job-related knowledge can be in explicit or tacit form, but Swart and Kinnie (2003) make a distinction between practice-based tacit knowledge and technical tacit knowledge. Practice-based tacit knowledge refers to the application of the knowledge, i.e., knowing the short-cuts when completing a certain tasks and how to apply it in a way that adds value to the customer. On the other hand, technical tacit knowledge is similar to explicit knowledge, only that it is impossible to capture all of them in a written form, and as such could only be taught through shared practice (learning-by-doing with others). Regardless of the distinction made, job-related knowledge is the most important knowledge that individual employees need to share with their colleagues and the rest of the organization. Henceforth, from this point onwards the term ‘knowledge’ refers to ‘job-related knowledge’.

Sharing of job-related knowledge will transform the knowledge from being an individual knowledge into organizational knowledge (Huysman & De Wit, 2001). When individual knowledge has been transformed into organizational knowledge, it has a better chance of being retained within the organization. Retaining knowledge is crucial in order to ensure that the organization can continue to benefit from the knowledge. Moreover, it can prevent a phenomenon known as “reinventing the wheel” from occurring. This phenomenon occurs when knowledge or a certain method that has been widely accepted or implemented in a certain area within an organization is recreated in another area. Reinventing knowledge that has been around in other parts of the organization is not only a waste of time, but also pointless and adds no value to the products or services delivered.

In most organizations, there have been considerable efforts to urge employees to share their job-related knowledge. One way that this was done is through the development of manuals and standard operating procedures (SOPs), so that all procedures involved in getting a certain job done are documented. This will enable anybody who needs to do a certain job to complete the job correctly just by following the operating procedures, even though he/she has never done the job previously. Needless to say, writing operating procedures may be very tedious and requires a lot of extra effort from the employees. However, if it can be done thoroughly and the operating procedures can be updated periodically, it can be very beneficial for the organization.

However, writing SOPs is not enough. It only fulfills one purpose of knowledge sharing that is to retain knowledge within an organization. Another purpose of knowledge sharing, which is to encourage discussion among the employees in order to develop new knowledge, cannot be achieved through writing SOPs. Furthermore, with SOPs, only explicit knowledge can be retained. Tacit knowledge requires a more sophisticated way to be retained, that is through personal teaching-learning experiences. Therefore, people need to interact with each other and voluntarily help those who do not know how to complete a certain job so that performance can be improved. In short, people need to share knowledge.

3. KNOWLEDGE SHARING
There are vast literatures discussing knowledge sharing at various levels of the organization and from different points of view. From these literatures it can be concluded that knowledge sharing behavior was studied from the organizational perspective (Argote, & Ingram, 2000; Giroud, 2000), department or group perspective (Hansen & Haas, 2001; Kane, Argote & Levine, 2004; Koskinen, Pihlanto & Vanharanta, 2003), and also at the individual perspective (Ipe, 2003). Studies on knowledge sharing from the organizational perspective commonly focused on ‘knowledge transfer’ or ‘technology transfer’. Technology transfer is basically the transfer of technology and know-how from one firm to another or any possible benefit through their long-term relationship and the exchange of information (Giroud, 2000). Studies on technology transfer are mainly interested on how much knowledge is being transferred from one organization to the other, and what are the factors that contribute to this process. Similarly, studies from the group perspective are looking at factors that ease the transfer of knowledge from one group to another. Finally, studies from the individual perspective, which is the main interest of this study, simply relate to the behaviors of individuals. Specifically, these studies examined the factors that make individuals share or hoard knowledge, and seek to identify what motivates individuals to share knowledge.

3.1 Knowledge Sharing Behavior Defined

In general, knowledge sharing occurs when people who share a common purpose and experience similar problems come together to exchange ideas and information (Storey, 2001; as cited in MacNeil, 2003). The process of knowledge sharing between individuals involve the conversion of the knowledge held by an individual into a form that can be understood, absorbed and used by other individuals (Ipe, 2003). It is basically a mechanism by which knowledge is transferred from one individual to another.

Knowledge sharing has been defined in several different but similar ways by different researchers. In general knowledge sharing has been defined as the action of individuals in making knowledge available to others within the organization (Ipe, 2003). Similarly, Bartol and Srivastava (2002) viewed knowledge sharing as the sharing of organizationally relevant information, ideas, suggestions, and expertise with one another. Along the same line, Ryu, Ho and Han (2003) defined knowledge sharing as the behavior of disseminating one’s acquired knowledge with other members within one’s organization. Lee (2001), on the other hand, gave a broader definition of knowledge sharing indicating it as involving activities of transferring or disseminating knowledge from one person, group or organization to another. In short, all these definitions agree that knowledge sharing is a mechanism to disseminate information and knowledge from one individual, group, or organization to another.

Even though most studies defined knowledge sharing at the individual level as a single dimension construct, there are also those who proposed a two dimensions perspective. For example, van den Hooff and de Ridder (2004) defined knowledge sharing as the process where individuals mutually exchange their knowledge and jointly create new knowledge. This definition implies that knowledge sharing process consists of ‘donating’ and ‘collecting’ aspects of sharing. According to van den Hooff and de Ridder (2004), knowledge ‘donating’ means communicating to others what one’s personal intellectual capital is, while knowledge ‘collecting’ means consulting colleagues in order to get them to share their intellectual capital. Similarly, Renzl (2008) defined knowledge sharing as a reciprocal process of knowledge exchange, and thus entails contributing, as well as accumulating knowledge from the mass.

The knowledge ‘donating’ aspect essentially is similar to the mainstream definitions of knowledge sharing. However, the knowledge ‘collecting’ aspect seemed to receive less attention from the researchers in this area. This is because most of the time knowledge ‘collecting’ or knowledge ‘acquisition’ occurs naturally, whereas knowledge donating or sharing requires effort and some people are even reluctant to share knowledge for various
reasons. Therefore, like many other studies, this study defines knowledge sharing behavior as a voluntary act of communicating and disseminating one’s acquired job-related knowledge with other members within one’s organization.

Referring to the job-related knowledge being shared, as discussed earlier that there are two general types of knowledge; tacit and explicit. The sharing of tacit knowledge and explicit knowledge requires different medium and effort. This is discussed in the next section.

3.2 Explicit vs. Tacit Knowledge Sharing

It is commonly agreed that disseminating and communicating explicit knowledge is easier than sharing of tacit knowledge (Ipe, 2003). That is why most studies focused on either knowledge sharing behavior in general (eg. Galletta, McCoy, Marks & Polak, 2002; Hong, Doll, Nahm & Li, 2004) or tacit knowledge sharing alone (eg. Evans & Kersh, 2004; Koskinen, et al., 2003; Selamat & Choudrie, 2004). It is rare to see studies that look at explicit knowledge sharing alone. This is probably because sharing of explicit knowledge can be done by means of books, manuals, video clips, databases and expert system, as well as through formal training. Therefore, the sharing of explicit knowledge can be done easily and requires not much encouragement for it to happen. Yet, by no means can it be neglected. Sharing of explicit knowledge is beneficial to the organization because it can improve employees’ ability to complete their work more efficiently in terms of time (Hansen & Haas, 2001).

Sharing of tacit knowledge, on the other hand, is more challenging (Hendriks, 1999). This is because according to Koskinen et al. (2003), tacit knowledge represents “knowledge based on the experience of individuals. It expresses itself in human actions in the form of evaluations, attitudes, points of view, motivation, and etcetera. Usually it is difficult to express tacit knowledge directly in words and often the only way of presenting it is through metaphors, drawings and different methods of expression not requiring a formal use of language” (pg. 218). As such, the tacitness of knowledge is a natural impediment to the successful sharing of knowledge between individuals in organization (Ipe, 2003). Therefore, it is a more interesting area of research.

Tacit knowledge sharing is argued to be a product of socialization and dialectic debate among employees (Fernie, et al., 2003) and it requires face-to-face interactions (Fernie, et al., 2003; Koskinen, et al., 2003). Furthermore, as proposed by Selamat and Choudrie (2004), the diffusion of tacit knowledge requires organizations to encourage the development of individual’s meta-abilities, i.e. personal, acquired abilities that underpin and determine how and when knowledge will be practiced within the organization. Thus, sharing of tacit knowledge requires a lot effort and determination.

Nonetheless, tacit knowledge sharing is important to the organization because a study by Hansen and Haas (2001) revealed that it improves quality of the employees work outcomes and it signals competence to clients. Furthermore, as Selamat and Choudrie (2004) pointed out in their literature review, the presence of explicit knowledge is meaningless without tacit knowledge to augment it. This is because only with tacit knowledge that we can put the explicit knowledge into practice.

Regardless of the types of knowledge being shared, this study does not make any distinction between the two types of knowledge sharing because both are important to organizations and their employees. However, this study does emphasize the importance of knowledge sharing at the individual level. Although the importance of knowledge sharing at the organizational and group level cannot be denied, the sharing of knowledge between individuals is considered to be more important since it serves as the foundation for knowledge sharing at other levels (i.e. group and organizational).
4. THE IMPORTANCE OF KNOWLEDGE SHARING AT THE INDIVIDUAL LEVEL

Essentially, knowledge sharing at the individual level is important because there are many ways in which knowledge sharing can benefit the organization. One of them is that the dialogue involved during sharing often lead to the generation of new ideas, which is considered as having the potential for the creation new knowledge (Nonaka, 1994). As a result, it leads to marketing effectiveness (Chen, 2006) and improved organizational innovativeness (Hong, et al., 2004).

Besides, knowledge sharing can also benefit the organizations in less tangible ways. First of all, Hislop (2003) pointed out that the success of any knowledge management initiative is highly dependent on the workers’ willingness to share their individual information and knowledge. Knowledge management involves activities that focused on capturing knowledge, and disseminating it accurately, consistently, consicely and in a timely manner to all who need it (Bollinger & Smith, 2001). Therefore, it requires the employees to share their experiences and personal interpretation of information in order to be successful.

Knowledge sharing also assists in organizational learning, and in its absence, the gap between individual and organizational knowledge widens (Ford & Chan, 2003). Central to organizational learning is the conversion of individual knowledge into organizational knowledge, and this can happen if individuals share their knowledge with the rest of the organizational members.

In addition, if an organization’s employees engage in knowledge sharing, the organization can avoid redundancy in knowledge production, and at the same time ensure the diffusion of best practice throughout the organization (Husted & Michailova, 2002a). Besides that, Husted and Michailova (2002a) also claimed that the systematic sharing of knowledge among organizational members enables the organization to solve problem by making relevant personal knowledge available to the problem solving process regardless of where the knowledge is originally obtained and stored in the organization.

However, most importantly, the beauty of knowledge sharing is that knowledge grows when it is used and shared with another, and it depreciates in value when it is kept to oneself (Syed-Ikhsan & Rowland, 2004). Finally, as a result of knowledge sharing, the intellectual capital locked up in their hearts and minds can be retained within the organization (Gold et al., 2001; Hong et al., 2004). Therefore, it is important to know some of the factors that encourage knowledge sharing behavior among employees.

5. FACTORS THAT COULD ENCOURAGE KNOWLEDGE SHARING BEHAVIOR

Extant literatures in this area have shown that there are many factors that influence knowledge sharing behavior of employees at work. These factors can be grouped into three categories which are individual, group and organizational factors.

5.1 Individual Factors

Individual factors basically are personal characteristics that affect the knowledge sharing behavior of individuals. Some of the factors that have been identified include individual motivation (Hendriks, 1999; Kalling, 2003; Käser & Miles, 2001; Kwok & Gao, 2004; Osterloh, & Frey 2000), organizational commitment (van den Hooff & de Ridder, 2004), perceptions of information ownership (Jarvenpaa & Staples, 2001; Kwok & Gao, 2004), complementary knowledge or individual absorptive capacity (Sakakibara, 2003; Szulanski, 1996), evaluation apprehension (Ardichvili, Page & Wentling, 2003; Irmer, et al., 2002),
perceived benefits (Bock & Kim, 2002; Hendriks, 1999; Irmer, et al., 2002; Kankanhalli, Tan & Wei, 2005; Käser & Miles, 2001; van den Hooff & de Ridder, 2004), self efficacy (Bock & Kim, 2002; Kankanhalli, et al., 2005), trust in management (Renzl, 2008) and ethics and self interest (Wang, 2004). Except for evaluation apprehension and self-interest, all of the individual factors have positive relationships to knowledge sharing behavior. In contrast, evaluation apprehension and self-interest have negative relationships with knowledge sharing behavior.

5.2 Group Factors

Group factors refer to factors that relate to the relationship between the individual that is sharing his or her knowledge and the individual who is receiving the knowledge. Some of the group factors include social networks and group membership (Hutchings & Michailova, 2004; Jones & Price, 2004; Thomas-hunt, Ogden & Neale, 2003), group identification (Galletta, et al., 2002), interpersonal trust (Abrams, Cross, Lesser & Levin, 2003; Ardicvili, et al., 2003; Zárraga & Bonache, 2003), and expert status (Thomas-Hunt, et al., 2003). Except for group membership, all other factors were found to have a positive relationship to knowledge sharing behavior.

It should be noted that group membership is not team membership, which is considered as important in knowledge sharing. Strong group affiliation is detrimental to knowledge sharing because it creates a rigid structural configuration that is predetermined and maintained over time. In addition, it encourages the achievement of the groups’ own tasks and goals without grasping the idea of the company as a whole, since its members are strongly attached to the groups, and hence they tend to resist new ideas coming from outside (Husted & Michailova, 2002). These are the reasons why group membership is negatively related to knowledge sharing.

5.3 Organizational Factors

Finally, organizational factors are essentially the characteristics of the organizations that provide an environment for knowledge sharing. Some of organizational factors that have been found to influence employees’ knowledge sharing behavior are organizational culture (Bock, Zmud & Kim, 2005; Lee & Kim, 2006; Syed-Ikhsan & Rowland, 2004; van den Hooff & de Ridder, 2004), HRM practices (Currie & Kerrin, 2003; Syed-Ikhsan & Rowland, 2004), capacity to learn from failure (Jones & Price, 2004; Taylor & Wright, 2004), leader support (Bryant, 2003; DeTianne, Dyer, Hoopes & Harris, 2004; Lin & Lee, 2004; McNeil, 2003; Zárraga & Bonache, 2003), management control (Galletta, et al., 2002), communication climate (van den Hooff & de Ridder, 2004), collaborative climate (DeTienne et al., 2004), institutional-based trust (Ardichvili, et al., 2003) and information technology (Syed-Ikhsan & Rowland, 2004; Hendriks, 1999; van den Hooff & de Ridder, 2004). Of all these factors, only information technology shows either a non-significant relationship (van den Hooff & de Ridder, 2004) or very weak relationship (Syed-Ikhsan & Rowland, 2004). Hendriks (1999) argued that information technology is necessary during the process of knowledge sharing, but it is not sufficient to improve the sharing of knowledge.

6. CONCLUSION

Indeed, there are many factors that influenced the knowledge sharing behaviors among employees. Organizational management authorities need to develop management strategies and implement practices that encourage knowledge sharing. Focusing on management strategies and practices is crucial since any actions taken by the management can influence employees’ behavior, especially when those actions are directly aimed at the employees themselves.
An organization’s work force and the knowledge, skills, and abilities (KSA) that these human resources possess are sources of competitive advantage for the organization. The employees of an organization are by nature heterogeneous resources that are difficult to replicate, not readily mobile, and not easily duplicated (Barney, 1991). This provides a basis for organizations to develop these internal assets by employing practices, specifically human resource management practices that can encourage employees to behave positively including sharing knowledge with their colleague so that organizational knowledge is enhanced. The focus is on human resource management practices because in order to foster positive behaviors from the employees, organizations must be able to provide positive working conditions. This can be explained in the theory of social exchange that was developed by Blau (1964).

Basically, this theory posits that all human relationships are formed by the use of a subjective cost-benefit analysis and the comparison of alternatives. For example, when a person perceives the costs of a relationship as outweighing the perceived benefits, then the theory predicts that the person will choose to leave the relationship and vice versa. Therefore, in a social interaction, people often engage in a social exchange whereby the exchange relationship between specific actors is viewed as “actions contingent on rewarding reactions from others” (Blau, 1964; pg. 91). Although, this theory primarily refers to the action of individuals, Zafirovski (2003) argued that the actors in an exchange can be not only individuals, but also groups, and the organizations they work for.

In relation to human resource management, social exchange theory (Blau, 1964) suggests that human resource activities affect the development of employees’ trust, and commitment. Therefore designing organizational human resource management practices that can build trust and commitment among the employee can result in positive employees’ behavior which leads to improved organizational effectiveness (Whitener, 1997). Furthermore, as proposed by Thite (2004) human resource management has a critical role to play in the knowledge economy since it creates people-centric partnerships which is important in the creation and sharing of knowledge.

References


Knowledge Management Initiatives, Innovation and Performance

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ABSTRACT

A model of knowledge management initiatives, innovation and performance is developed and tested for the listed Malaysian Government-Linked companies (GLC). Data collected from 273 employees representing the three different levels of management is subjected to structural equation modelling analysis. The proposed model fits the data well. Results indicate that employees perceived knowledge management initiatives as important antecedents of innovation in the GLC and innovation in turns result in better organizational performance.

KEYWORDS: Knowledge Management Initiatives, Innovation, GLC Performance

1.1 INTRODUCTION

Knowledge management can be defined in other words as the achievement of the organization's goals by making the factor knowledge productive. We facilitate and motivate people to tap into and develop their capacities (their core competencies) and stimulate their attitude towards innovation. With effective knowledge management the entire systems with which the information within and outside an organization can be managed and opened up (Beijerse, 2000). With the rising importance of knowledge in our global economy, knowledge management has gained worldwide attention. Individuals including Sveiby (1997), Stewart (1997), Davenport and Prusak (1998), Allee (1997) and Nonaka (1991) have taken on the challenge to discover the opportunities, practices and benefits of knowledge management. Companies such as Buckman Laboratories, Dow Chemical, Skandia, Hewlett-Packard, Celemi, and IBM to name a few, have leap-frogged on the knowledge management initiative in order to effectively manage and utilize the knowledge and expertise in their organizations.

Organizational knowledge has an increasing impact on the firms' survival and success in the globalize environment. This situation has increased their interest in intellectual capital. However, the mere measurement does not tell how knowledge really "works" in a company, and how the value of intellectual capital could be increased. Therefore, a more profound understanding of the underlying knowledge management initiatives is needed. Conventionally, the companies and other organizations are regarded as "open" input-output process systems. Applied to knowledge, this would mean that a firm takes in information and processes it into knowledge. However, this model is far too simplistic to describe knowledge initiatives. Instead the firms can benefit from recent research in the field of biological phenomenology and neurophysiology, and especially from the development of autopoiesis theory, the theory of "selfproduction" (Maturana & Varela, 1980, 1987; von Krogh & Roos, 1995; Mingers, 1995). Autopoiesis theory explains the nature of living (as opposed to non-living) entities. It claims that living systems undergo a continual process of internal self-production whereas non-living systems (allopoietic) produce something other than their own self-components (Mingers, 1995). Because autopoiesis theory is a general systems theory, it can be applied on other than biological phenomena as well, provided that certain conditions are met. Therefore, also the companies can be regarded as living systems that reproduce...
themselves and their own strategic components and boundary elements and in a continuous manner (Maula, 2000).

The three knowledge management initiatives are: creation, dissemination and application. Once organizational objectives are set (the usual case is setting the performance indicators to include both financial and non-financial) and existing knowledge is assessed, a relevant knowledge strategy (such as innovation) can be crafted which will give a helpful start to all the knowledge workers. Knowledge management can be applied to individuals, groups, or organizational structures. It has a strategic and normative aspects as well as the operational use. Identifying external knowledge means analysing and describing the company’s knowledge environment. A surprisingly large number of companies now find it difficult to maintain a general picture of internal and external data, information and skills. This lack of transparency leads to inefficiency, uninformed decisions and duplication. Effective knowledge management must therefore ensure sufficient internal and external transparency, and help individual employees to locate what they need. Companies import a substantial part of their knowledge from outside sources. Relationships with customers, suppliers, competitors and partners in co-operative ventures have considerable potential to provide knowledge – a potential that seldom fully utilized. Firms can also buy knowledge which they could not develop for themselves by recruiting experts or acquiring other particularly innovative companies. Systematic knowledge management must take these possibilities into account. Knowledge development is a building block that complements knowledge acquisition. Its focus is on generating new skills, new products, better ideas and more efficient processes. Knowledge development includes all management efforts consciously aimed at producing capabilities which are not yet present within the organization, or which do not yet exist either inside or outside it. Traditionally, knowledge development is anchored in the company’s market research and in its research and development department; however, important knowledge can also spring from any other part of the organization. In this building block, we examine the company’s general ways of dealing with new ideas and utilizing the creativity of its employees. When considered from the point of view of knowledge management, even activities that were previously regarded simply as production processes can be analysed and optimised so as to yield knowledge. While knowledge management offers cost savings, the real value is in more forward-looking knowledge workers that drive technological innovation process to make innovation possible, bringing together the technical and commercial worlds in profitable ways (Darroch, 2005).

2.1 LITERATURE REVIEW

Penrose (1959) says, the knowledge of an employee is based upon his or her skills and experiences and ability to absorb new knowledge. Therefore, while knowledge is a resource in its own right, the manner in which we manage knowledge will influence the quality of services that can be leveraged from each resource own by the firm. Nelson and Winter (1982) add that knowledge management can be viewed as a coordinating mechanism to be transform resources into capabilities. Knowledge management is one of many components of good management. Sound planning, savvy marketing, high-quality products and services, attention to customers, efficient structuring of work and thoughtful management of an organization’s resources are all critical to compete in today’s marketplace. Knowledge management may help create the competitive edge in today’s global environment. Possible consequences of effective knowledge management include: competitive advantage (Connor & Prahalad, 1996; Hall, 1993) and innovation (Antonelli, 1999; Carneiro, 2000; Dove, 1999; Nonaka & Takeuchi, 1995).
Sveiby asserts that business managers need to realize that unlike information, knowledge is embedded in people, and knowledge creation occurs in the process of social interaction (Sveiby, 1997). A lot of intellectual capital resides in the minds of knowledge workers. Companies such as Andersen Consulting, Ford, and Monsanto encourage employees to put “tacit” knowledge, the know-how in their heads, into “explicit” form, such as written reports or video presentations. This captured knowledge is then stored in repositories such as databases and intranet Web servers, all of which users can search. An organization’s competitive potential rests almost wholly on how well it manages and deploys its corporate assets. These assets are comprised of financial, and tangible and intangible elements. For simplicity, consider financial assets such as cash, and tangible assets including plant, equipment, and inventory; intangible assets including core competencies and technologies, management skills, culture, brand image, consumer loyalty, patents, distribution channels, and the like. In addition to being aware of the knowledge process and the infrastructures within which it takes place, a knowledge mapping project should have a conceptual focus (Soliman, 1998). Ideally the focus will be the fundamental business issues of the organization such as reducing errors or rework, or minimizing cycle time in some manufacturing organizations. Then the mapping project will provide useful results that improve the organizational efficiencies. Zack (1999) has advocated using the well known SWOT technique (strengths, weaknesses, opportunities and threats) as a tool to develop a knowledge mapping strategy specifically tailored to an organization's needs. Zack advises that knowledge-based SWOT analysis could lead to mapping knowledge resources and capabilities against strategies.

Traditionally corporate assets have been narrowly defined to include essentially only financial capital and tangible assets. However, it is clear that organizations require a much broader range of resources to be successful in any current market, and must ensure the right mix of tangible and intangible resources to provide desirable business outcomes. This is to say that organizations must not only value intangible assets for their inherent contribution to business success, but must actively and carefully consider their state in relation to financial and tangible assets during business strategizing and plan implementation. Empirical study by Darroch (2005) reveals that each component of knowledge management initiatives will positively affect innovation. For innovation to take effect, knowledge workers must first have the knowledge about the key internal and external environments of that strategically affecting the firm – the more knowledge, and the greater the variety of knowledge, the better. Second, knowledge must flow freely around the firm – the better the dissemination of knowledge the greater the possibility of innovation as more people within levels and departments of the organization are exposed to new knowledge that interacts with knowledge already held. Lastly, the more response and agile an organization towards applying new knowledge the more likely will it be innovative. Thus, the relevant hypotheses are:

\[ H_1: \] GLC with knowledge management initiatives tends to be more innovative.

\[ H_{1a}: \] Knowledge creation will lead to innovation.

\[ H_{1b}: \] Knowledge dissemination will lead to innovation.

\[ H_{1c}: \] Knowledge application will lead to innovation.

Organizational knowledge is known to be important intangible resources of an organization to enable sustainable competitive advantage (Hitt, Ireland & Hoskisson, 1999). By managing knowledge firms will be able to accurately predict the nature and commercial potential of
changes in the environment and the appropriateness of strategic and tactical actions (Cohen & Levinthal, 1990). Without knowledge management, organizations are less capable of discovering and exploiting new opportunities whilst evading new threats. For example, knowledge about markets and technology has strong potential for the firms to improve their performance because this will increase their abilities to discover and exploit market opportunities. This can be done through: (1) awareness of customer problems may have great generality and thus constitute real market opportunities; (2) it is easier to determine the market value of new scientific discoveries, technological changes etc.; (3) the locus of innovation often lies with users of new technologies who cannot easily articulate their needs for the not-yet-developed solutions to problems, and therefore organization must share some of the tacit knowledge as it’s users (Cohen & Levinthal, 1990; Shane, 2000; von Hippel, 1994). Meanwhile, technological knowledge can also enhance a firm’s ability to effectively exploit an opportunity by, for example, determining the product’s optimal design to optimize functionality, cost, and reliability and ultimately the economic impact of exploiting the opportunity (Rosenberg, 1994). Therefore, technological knowledge enables firm to rapidly exploit opportunities or to be able to respond quickly when competitors make advancements (Cohen & Levinthal, 1990). Capon, Farley, Lehmann and Hubert (1992) profiled innovative firms in the USA and conclude that by acquiring other firms as a means of accessing new knowledge, did not significantly affect the ability of a firm to innovate. Instead by hiring scientists, spending money on applied R&D to develop new products and encouraging scientific discussion enhances the ability of a firm to innovate. Griffin and Hauser (1996) examined the integration between R&D and marketing, citing such integration as an important antecedent of new product success. In fact a positive relationship between innovation and performance is fairly well established in the extant literature (Avlonitis & Gounaris, 1999; Atuahene-Gima, 1996; Capon et al., 1992; Deshpande et al., 1998; Manu & Siram, 1996; Mavondo, 1999; Vazquez et al., 2001). On this basis the following hypotheses are presented:

\[ H_2: \text{ Innovative GLC will perform better.} \]

\[ H_3: \text{ There is a positive correlation between “knowledge management initiatives” and “performance” when intervened by “innovation”.} \]

3.1 METHODOLOGY

This was a cross-sectional studies carried out in a natural environment where work proceeded normally or in other words in non-contrived settings. Since this study was a correlation study, it was conducted in the natural environment of the organizations, in which the researchers’ interference was very minimal with the normal work flow of work in these organizations. The respondents selected were employees of the listed Malaysian Government-Linked Companies (GLC). We used a cluster sampling design with three different clusters: top management, middle management and lower management. Each of the GLC was given 30 sets of questionnaires in which response was invited from the three clusters on a proportionate sampling basis. The actual response was 273 out of 690 samples (the respond rate of 39.5%). To establish content validity, questionnaire was refined through rigorous pre-testing. The focus was on instrument clarity, question wording and validity. During the pre-testing members of the colloquium were invited to comment on the questions and wordings. Their feedbacks together with the opinions from field experts were taken into consideration in revising the construct measures. As can be seen from Table 1, the instruments used in this
study were noted to have acceptable reliability where all items recorded an Alpha value exceeding 0.7 (Nunnaly, 1978).
Table 1: Results of the reliability analysis

<table>
<thead>
<tr>
<th>Construct</th>
<th>Variable</th>
<th>Items</th>
<th>Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>K-Creation</td>
<td>CRE</td>
<td>6</td>
<td>0.721</td>
</tr>
<tr>
<td>K-Dissemination</td>
<td>DIS</td>
<td>5</td>
<td>0.720</td>
</tr>
<tr>
<td>K-Application</td>
<td>APP</td>
<td>5</td>
<td>0.764</td>
</tr>
<tr>
<td>Innovation</td>
<td>INN</td>
<td>5</td>
<td>0.767</td>
</tr>
<tr>
<td>Performance</td>
<td>PER</td>
<td>7</td>
<td>0.783</td>
</tr>
</tbody>
</table>

The dependent variable in this model was the “performance” in which it’s variation was described by the independent construct “knowledge management initiatives” However, it was envisaged that this relationship was also affected by the presence of the third variable (the intervening variable) that modified the original relationship between the independent and the dependent variables. The intervening variable in this model was “innovation” that had a strong contingent effect on the independent variable-dependent variable relationship (Figure 1).

Figure 1: Conceptual theoretical framework

Measurement instruments and measuring scales (ranging from 1 to 5: 1 denotes strongly disagree; 2 disagree; 3 neither agree nor disagree; 4 agree; and 5 strongly agree) used in respect of the various constructs were summarized as follows:

Table 2: Measurement instruments and scales

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Scale</th>
<th>Literature</th>
</tr>
</thead>
<tbody>
<tr>
<td>K-Creation</td>
<td>5-point Likert</td>
<td>Darroch (2003)</td>
</tr>
<tr>
<td>K-Dissemination</td>
<td>5-point Likert</td>
<td>Darroch (2003)</td>
</tr>
<tr>
<td>K-Application</td>
<td>5-point Likert</td>
<td>Darroch (2003)</td>
</tr>
</tbody>
</table>
4.1 RESULTS AND ANALYSIS

4.1.1 Sample Characteristics

The survey was performed on 23 listed GLC in which 273 questionnaires were received and analyzed. Of these 41 persons (or 15.0%) were top management, 167 persons (or 61.2%) were middle management and the remaining 65 persons (or 23.8%) were lower management. In terms of gender, 143 persons (or 52.4%) were males and the remaining 130 persons (or 47.6%) were females. Most of the respondents were Malays (63.4%), followed by Chinese (28.2%), Indian (5.1%) and others (3.3%).

4.1.2 Analysis of the Measurement Model

Confirmatory factor analysis (CFA) was used to test the measurement model. Common measures used to check goodness of fit include $\chi^2$/degrees of freedom, goodness-of-fit index (GFI), comparative fit index (CFI), root mean square error of approximation (RMSEA) and normed fit index (NFI). The CFA showed that the measurement model fitted the data, as shown in Table 3. All the model-fit indices exceed the respective common acceptance levels indicated by previous research (Chau & Hu, 2001), demonstrating that the measurement model exhibited a fairly good fit with the data collected.

Table 3: Fit indices for measurement mode (MM) and structural model (SM)

<table>
<thead>
<tr>
<th>Fit indices</th>
<th>MM</th>
<th>SM</th>
<th>Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>$\chi^2$/d.f.</td>
<td>2.52</td>
<td>2.29</td>
<td>$\leq$3.00</td>
</tr>
<tr>
<td>GFI</td>
<td>0.92</td>
<td>0.90</td>
<td>$\geq$0.90</td>
</tr>
<tr>
<td>CFI</td>
<td>0.95</td>
<td>0.92</td>
<td>$\geq$0.90</td>
</tr>
<tr>
<td>NFI</td>
<td>0.97</td>
<td>0.94</td>
<td>$\geq$0.90</td>
</tr>
<tr>
<td>RMSEA</td>
<td>0.06</td>
<td>0.03</td>
<td>$\leq$0.10</td>
</tr>
</tbody>
</table>
The composite reliability ascertained the internal consistency of the measurement model. This is quite similar to that of Cronbach’s alpha, except that it also takes into account the actual factor loadings rather than assuming that each item is equally weighted in the composite load determination. From Table 4, the composite reliability of all constructs exceeded the benchmark of 0.6 recommended by Bagozzi and Yi (1988). Convergent validity refers to the extent to which multiple measures of a construct agree with one another. Bagozzi and Yi (1988) suggest that weak evidence of convergent validity exists when item factor loading is significant. Moreover, strong evidence exists when the factor loading exceeds 0.7. From Table 4, the factor loading for all items exceeds the recommended level of 0.7, and all factor loadings are statistically significant at p<0.001.

Table 4: Results of measurement model

<table>
<thead>
<tr>
<th>Construct/indicators</th>
<th>Factor loadings</th>
<th>t-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>K-creation (CRE)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>B1</td>
<td>0.72</td>
<td>11.12</td>
</tr>
<tr>
<td>B2</td>
<td>0.81</td>
<td>12.23</td>
</tr>
<tr>
<td>B3</td>
<td>0.79</td>
<td>13.10</td>
</tr>
<tr>
<td>B4</td>
<td>0.80</td>
<td>12.28</td>
</tr>
<tr>
<td>B5</td>
<td>0.75</td>
<td>12.76</td>
</tr>
<tr>
<td>B6</td>
<td>0.81</td>
<td>12.76</td>
</tr>
<tr>
<td>K-dissemination (DIS)</td>
<td>0.76</td>
<td>10.91</td>
</tr>
<tr>
<td>C1</td>
<td>0.71</td>
<td>10.87</td>
</tr>
<tr>
<td>C2</td>
<td>0.75</td>
<td>10.98</td>
</tr>
<tr>
<td>C3</td>
<td>0.81</td>
<td>10.24</td>
</tr>
<tr>
<td>C4</td>
<td>0.78</td>
<td>11.23</td>
</tr>
<tr>
<td>C5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>K-application (APP)</td>
<td>0.75</td>
<td>12.87</td>
</tr>
<tr>
<td>D1</td>
<td>0.76</td>
<td>10.65</td>
</tr>
<tr>
<td>D2</td>
<td>0.86</td>
<td>12.56</td>
</tr>
<tr>
<td>D3</td>
<td>0.74</td>
<td>12.43</td>
</tr>
<tr>
<td>D4</td>
<td>0.71</td>
<td>10.76</td>
</tr>
<tr>
<td>D5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Innovation (INN)</td>
<td>0.87</td>
<td>9.23</td>
</tr>
<tr>
<td>E1</td>
<td>0.82</td>
<td>12.23</td>
</tr>
<tr>
<td>E2</td>
<td>0.74</td>
<td>15.10</td>
</tr>
<tr>
<td>E3</td>
<td>0.86</td>
<td>10.98</td>
</tr>
<tr>
<td>E4</td>
<td>0.75</td>
<td>11.24</td>
</tr>
<tr>
<td>E5</td>
<td>0.76</td>
<td>13.64</td>
</tr>
<tr>
<td>Performance (PER)</td>
<td>0.71</td>
<td>10.31</td>
</tr>
<tr>
<td>F1</td>
<td>0.76</td>
<td>11.12</td>
</tr>
</tbody>
</table>
The discriminant validity was examined by the correlations between the measures of associated constructs. The analysis showed that the shared variance (the square correlations) for each multi-items construct is less than the amount of variance extracted by the indicators measuring that construct (as shown in Table 5), indicating the measure has adequately discriminant validity. In summary, the measurement model demonstrated adequate reliability, convergent validity, and discriminant validity.

<table>
<thead>
<tr>
<th>F2</th>
<th>0.73</th>
<th>11.92</th>
</tr>
</thead>
<tbody>
<tr>
<td>F3</td>
<td>0.87</td>
<td>11.04</td>
</tr>
<tr>
<td>F4</td>
<td>0.73</td>
<td>10.98</td>
</tr>
<tr>
<td>F5</td>
<td>0.89</td>
<td>11.67</td>
</tr>
</tbody>
</table>

Note:

All t-value are significant at p<0.001

### 4.1.3 Test of the structural model

The casual structure of the hypothesized research model (see Figure 1) was tested using structural equation modeling (SEM). As summarized in Table 3 above, all of the model-fit indices of SEM surpassed the benchmark values, suggesting that the data was well fitted to this model (supporting H_3). As predicted the knowledge management initiatives is positively related to innovation (path coefficient = 0.65, p<0.001). The results also reveal that knowledge creation (path coefficient = 0.09, p <0.05), knowledge dissemination (path coefficient = 0.45, p<0.001), and knowledge application (path coefficient = 0.37, p<0.001) are positively related to innovation. Hence, hypotheses H_1, H_1a – H_1c are supported. Innovation is positively related to performance (path coefficient = 0.51, p<0.001) thus providing a support for H_2.

In tandem with the fomentation of the Resource-Based View by Penrose (1959), it was found that within the GLC, decisions are made as to what activities the organization will be involved in, how those activities will be performed, what resources are required and,
ultimately, which resources are used. Against this backdrop, this paper argues that knowledge takes on a number of roles: first, knowledge is, in itself, both a tangible and intangible resource (Hall, 1993); second, having access to knowledge supports any decision making about resources; third, a capability in knowledge management enable those within the organization to leverage the most service from knowledge and other resources; and fourth, effective knowledge management initiatives make contribution to innovation which in turn lead to better performance of Malaysian listed GLC. The findings of this research are in tandem with the results of empirical study by Darroch (2005) performed among large firms in New Zealand.
5.1 CONCLUSION

Very few empirical researches had examined relationships of innovation and performance. On the other hand, only a few studies could be identified in attempting to identify the antecedents of innovation. In this paper our contribution to the research gap is to model a relationship between knowledge management initiatives, innovation and GLC performance. We had proven the significance of this model that was in tandem with strategic mission and vision of firms competing in the era of the knowledge-based economy having to face the challenges brought about by globalization. In an ever-changing world, knowledge would play an increasingly vital role in establishing competitive and strategic advantage. When the knowledge workers were able to effectively manage the knowledge assets, this would contribute toward building core competencies that can be used as innovation strategy to pursue the performance objectives of the Malaysian GLC.

6.1 REFERENCES


Faktor Jurulatih Mempengaruhi Keberkesanan Latihan: Satu Kajian Empirikal Di Jabatan Meteorologi Malaysia

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Abstrak


Kata kunci: keberkesanan latihan, faktor jurulatih, pemindahan pengetahuan

1.0 Pengenalan

Latihan adalah merupakan salah satu bidang di bawah Pengurusan Sumber Manusia dimana ia merupakan salah satu fungsi untuk membangunkan sumber manusia yang sangat penting (DeSimone et al., 2002; Tannenbaum & Yukl, 1992). Ia juga ditakrifkan sebagai suatu proses pembelajaran yang terancang dan bertujuan untuk meningkatkan kemampuan pekerja bagi menyelesaikan masalah semasa, masalah yang mungkin wujud pada masa akan datang, membangunkan kecekapan pekerja dan daya saing organisasi pada masa hadapan (DeSimone et al., 2002; Ibrahim, 2001; Kraiger et al., 1993). Latihan ini juga dapat dibahagikan kepada dua pendekatan iaitu latihan yang berorientasikan tradisional dan latihan berorientasikan pendekatan kontemporari. Latihan berorientasi pendekatan tradisional adalah wujud dalam
organisasi yang beroperasi dalam persekitaran yang stabil dan kurang persaingan dan pada masa kini ia banyak berlaku di dalam sektor awam.

Dalam konteks ini, Jabatan Meteorologi Malaysia saban tahun telah membelanjakan sebanyak hampir ratusan ribu ringgit Malaysia untuk memastikan bahawa setiap kakitangannya mendapat latihan yang mencukupi dan berkualiti. Memandangkan tingginya kos pengendalian latihan, organisasi sentiasa mengambil berat tentang keberkesanan pelaksanaan latihan. Aspek latihan semakin diberi penekanan memandangkan terdapat pelbagai aduan pelanggan dari media masa dan media cetak yang tidak bertepat dengan ramalan cuaca yang dikeluarkan. Sehubungan itu, bagaimana memastikan sesuatu program latihan memberi manfaat kepada organisasi, sesuatu program latihan perlu dinilai terutamanya terhadap keberkesanan dan hubungannya dengan prestasi kerja.

Justeru, sebagai kakitangan awam keberkesanan latihan adalah amat dititikberatkan dan seterusnya kajian impak keberkesanan latihan akan dilakukan ke atas Jabatan Meteorologi Malaysia. Bagi memastikan matlamat ini tercapai pengarah jurulatih terhadap keberkesanan program latihan teknikal kepada kumpulan Pengurusan & Professional akan dikaji. Hasil kajian ini amat penting bagi menghasilkan satu kerangka strategi atau menambahbaik strategi yang seda ada agar Kursus Asas Meteorologi ini lebih memberi kesan yang mendalam kepada Jabatan.

2.0 Sorotan Kesusasteraan

Bab ini membincangkan tentang kajian-kajian lepas yang berkaitan dengan permasalahan yang dikaji dan perkaitan antara pembolehlahub yang tidak bersandar iaitu faktor jurulatih dengan keberkesanan latihan.

2.1 Keberkesanan Latihan

Kebanyakan sarjana mempunyai pandangan yang berbeza-beza dalam mentakrifkan keberkesanan latihan, iaitu sejauh mana mana objektif program latihan tercapai (Tai, 2006), kadar keupayaan pekerja mengaplikasikan pengetahuan, kemahiran dan sikap yang diperolehi semasa mengikuti latihan (Baldwin & Ford, 1998; Baldwin et al., 1991), keupayaan program latihan mengubah perlakuan pekerja, meningkatkan produktiviti dan meningkatkan prestasi kerja dan organisasi (Chiaburu & Tekleab, 2005; Holton & Baldwin, 2003; Holton et al., 1997; Holton et al., 2000; Lane et al., 2001), dan menilai hasil latihan yang dialami oleh seseorang peserta berpandukan reaksi (keluasan had pelatihan merusak dan menyukai program latihan), pembelajaran (pengetahuan dan kemahiran yang diperolehi pekerja), sikap (pekerja memindahkan pengetahuan kepada situasi kerja), dan kesan (pencapaian objektif organisasi seperti kadar ketidakhadiran, pusing ganti vita kerja, peningkatan produktiviti dan pengurangan kos (Kirkpatrick, 1976).

Berdasarkan kajian lepas, terdapat tiga faktor yang membantu atau menghalang pemindahan pengetahuan atau pembelajaran iaitu faktor rekabentuk latihan seperti jangkamasa dan objektif kursus, penekanan kepada amali atau teori sahaja, kepakaran tenaga pengajar dan maklumbalas berkaitan dengan prestasi kakitangan semasa mereka mula bertugas di tempat masing-masing. Seterusnya faktor individu seperti motivasi pelajar itu sendiri, keupayaan untuk memahami pelajaran yang diajar, perhatian yang diberikan semasa di dalam kelas dan relevannya kursus yang diajar dengan bidang tugas mereka. Dan yang akhir sekali ialah faktor
persekitaran dimana adakah ia mendapat sokongan dari pihak pengurusan untuk mengamalkan sesuatu yang baru dan adakah ia sesuai dengan prosedur tempat ia bertugas. Menurut beliau ketiga-tiga faktor ini menjadi penentu kepada keberkesanan sesebuah latihan.


Namun dalam artikel ini faktor jurulatih yang mempengaruhi keberkesanan latihan di Jabatan Meteorologi Malaysia yang akan dibincangkan. Oleh itu faktor yang mempengaruhi prestasi pembelajaran pelatih ialah motivasi untuk belajar, kemahiran komputer yang mencukupi, kandungan program latihan, hubungan dua hala diantara pelatih dan jurulatih, mudah untuk digunakan atau akses, sokongan daripada jurulatih dan persekitaran pembelajaran yang konsisten manakala faktor yang mempengaruhi prestasi ialah motivasi pembelajaran, kandungan program latihan, sokongan daripada jurulatih dan pencapaian pembelajaran.

Pelatih yang mempunyai ciri-ciri positiv yang tinggi akan merasai kepuasan yang lebih terhadap hasil positif. Sebaliknya pula berlaku kepada pelatih yang tidak mempunyai ciri-ciri positiv. Berdasarkan kajian yang dibuat didapati pelatih yang mempunyai matlamat pembelajaran yang tinggi akan menjadikan latihan lebih berkesan. (Herold, et al., 2002) pula mengatakan bahawa penetapan matlamat merupakan teori yang boleh diterima pakai dan amat praktikal dalam motivasi kerja dan pencapaian latihan. Banyak kajian telah mengenal pasti pencapaian adalah berfungsi secara positif dengan tahap matlamat.

2.2 Ciri-ciri jurulatih

Kejayaan program latihan bergantung kepada kelayakan dan sikap jurulatih. Seorang jurulatih mesti memahami hala tuju program pendidikan dan mempunyai pengetahuan serta kemahiran yang diperlukan di dalam latihan. (Leduchwicz, 1982) menjelaskan bahawa selain daripada keupayaan jurulatih, keupayaan untuk mempengaruhi pelatih juga adalah penting. Diantara kelayakan jurulatih ialah menyampaikan mesej dengan berkesan, menyediakan bahan untuk latihan lebih awal, mengendalikan pelatih dengan kaedah yang sesuai, menjawab persoalan dari pelatih dengan jelas dan menggalakkan pelatih untuk mencapai matlamat.

Kajian menunjukkan bahawa menyuntik harapan yang tinggi kepada jurulatih sama seperti menajamkan prestasi pelatih. Apabila membincangkan tentang ciri-ciri jurulatih, banyak kajian telah menilai ciri-ciri guru yang dinilai oleh pelajar dalam situasi akademik disebabkan kurangnya kajian tentang ciri-ciri jurulatih ini. Terdapat empat gelagat jurulatih yang memberi kesan terhadap keberkesanan latihan diantaranya ialah kejelasan, kepelbagaian orientasi tugas dan keterlibatan dalam proses pembelajaran.

a. Kejelasan

Merujuk kepada bagaimana pelatih mempersembahkan bahan yang disampaikan kepada pelatih. Jurulatih yang mempunyai tahap kejelasan yang tinggi dalam menerangkan kepada pelatih meluangkan masa yang sedikit untuk menyampaikan maklumat yang hendak disampaikan.

b. Kepelbagaian
Merujuk kepada bagaimana tahap fleksibel jurulatih semasa membentangkan bahan latihan kepada pelatih. Jurulatih yang berkesan akan mewujudkan kepelbagaian dengan menggunakan pelbagai bahan, kaedah dan persoalan untuk memastikan pelatih tidak merasa bosan dan merasa corak latihan yang sama dan hambar setiap kali sesi latihan diadakan.

c. **Orientasi tugas**

Orientasi tugas pula ialah merujuk kepada jurulatih yang berorientasikan pencapaian iaitu setiap kali latihan diadakan ia akan memastikan pelatih berada di tahap tinggi, sederhana atau rendah. Jurulatih dengan orientasi tugas yang tinggi akan peka dalam memastikan semua bahan latihan diajar dengan sempurna. Jurulatih yang berkesan juga akan menggunakan masa latihan dengan berkesan.

d. **Proses pembelajaran**

Persekitaran pembelajaran bermaksud ahli di dalam organisasi mempercayai bahawa pembelajaran atau latihan memainkan peranan yang amat penting di dalam tugasan kerja mereka (Tracy et.al, 1995). Jurulatih yang efektif juga akan melibatkan diri untuk memastikan proses pembelajaran berjalan lancar.

### 2.3 Kerangka Teoritikal Kajian

Kerangka kerja yang digunakan bagi kajian ini terbahagi kepada dua bahagian iaitu pembolehubah bersandar (keberkesanan latihan) manakala pemboleh ubah tidak bersandar ialah faktor jurulatih seperti kejelasan, kepelbagaian semasa membentangkan bahan latihan, orientasi tugas dan proses pembelajaran yang lancar.

<table>
<thead>
<tr>
<th>Pemboleh ubah tidak bersandar</th>
<th>Pembolehubah bersandar</th>
</tr>
</thead>
<tbody>
<tr>
<td>Faktor-faktor Jurulatih</td>
<td></td>
</tr>
<tr>
<td>-kejelasan</td>
<td></td>
</tr>
<tr>
<td>-kepelbagaian</td>
<td></td>
</tr>
</tbody>
</table>


### 3.0 Metodologi


4.0 Dapatan Kajian

Jadual 4.0 menunjukkan taburan responden mengikut jantina, umur dan latarbelakang akademik. Seramai 49 orang (46.7 peratus) adalah lelaki manakala yang selebihnya 56 (53.3) adalah wanita. Ini bermakna pemilihan responden adalah seimbang dan faktor jantina tidak mempengaruhi keberkesanan latihan. Seterusnya, daripada analisis yang dijalankan, minoriti responden berumur 40 tahun keatas dengan peratusan 13.3 diikuti 46 orang berumur antara 31 hingga 40 tahun dan 45 orang berumur antara 21 hingga 30 tahun. Taburan responden mengikut kelulusan akademik menunjukkan majoriti responden adalah berkelulusan Sarjana Muda Sains Fizik iaitu sebanyak 61 orang atau 58.1 peratus dan Sarjana Muda Sains Matematik ialah sebanyak 40 manakala lain-lain adalah sebanyak 4 orang. Dari segi latarbelakang pengajian juga ia tidak mencerminkan bahawa pandangan dari kakitangan berlatar belakang fizik dan matematik adalah berbeza kerana bilangan responden adalah hampir seimbang.

<table>
<thead>
<tr>
<th>Item</th>
<th>Kekerapan (N=105)</th>
<th>Peratus (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jantina</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lelaki</td>
<td>49</td>
<td>46.7</td>
</tr>
<tr>
<td>Perempuan</td>
<td>56</td>
<td>53.3</td>
</tr>
<tr>
<td>Umur</td>
<td></td>
<td></td>
</tr>
<tr>
<td>41 tahun keatas</td>
<td>14</td>
<td>13.3</td>
</tr>
<tr>
<td>31-40 tahun</td>
<td>46</td>
<td>43.8</td>
</tr>
<tr>
<td>21-30 tahun</td>
<td>45</td>
<td>42.9</td>
</tr>
<tr>
<td>Latar Belakang Akademik</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sarjana Muda Sains Fizik</td>
<td>61</td>
<td>58.1</td>
</tr>
<tr>
<td>Sarjana Muda Sains Matematik</td>
<td>40</td>
<td>38.1</td>
</tr>
<tr>
<td>Kelulusan Lain</td>
<td>4</td>
<td>3.8</td>
</tr>
</tbody>
</table>
### Analisa Regresi

Untuk mencapai objektif yang telah digariskan, satu analisis regresi telah dilakukan. Hasil regresi antara ciri-ciri jurulatih dengan keberkesanan latihan menunjukkan bahawa R square adalah 0.516. Ini bermakna 51.6 peratus daripada variasi dalam keberkesanan kursus dijelaskan oleh faktor tersebut. Oleh kerana itu, model yang dibentangkan di dalam kajian ini adalah disokong kesahihanannya.

Berdasarkan Jadual 4.1 di bawah, dapat diperhatikan bahawa nilai-nilai Beta untuk faktor penceramah ialah 0.587 (p<0.05), Ini menunjukkan bahawa pembolehubah-pembolehubah tersebut merupakan faktor kepada keberkesanan latihan.

| Jadual 4.1 |
|---|---|---|---|---|
| Unstandardized coefficient | Standardized coefficient |
| B | Std. Error | β | t | Sig |
| Constant | 1.247 | 0.371 | 3.361 | 0.001 |
| Penceramah | 0.554 | 0.080 | 0.587 | 6.903 | 0.000 |

Nota:**p<0.01;*p < 0.05, R² = 0.516;)

Pembolehubah Bersandar = Keberkesanan Latihan


Terdapat juga faktor lain yang dikaji oleh pengkajian-pengkajian lepas yang boleh mempengaruhi keberkesanan latihan seperti dapat mengaplikasikan apa yang dipelajari secara aktif, belajar secara berulang dan masa yang lama untuk mempraktikkan apa yang dipelajari (Craig,1999). Faktor masa juga mempengaruhi keberkesanan latihan sebagaimana hasil kajian oleh (Axtel et.al ,1997) yang mendapati bahan latihan yang digunakan dalam jangka masa pendek mempengaruhi keberkesanan latihan. Dapatan kajian ini adalah bertentangan dengan kajian yang dibuat oleh (Lim,1998) dan (Foxon,1995) yang mendapati faktor persekitaran lebih
mempengaruhi keberkesanan latihan. Namun ia adalah bertepatan dengan pendapat oleh (Leduchwicz,1982) yang menjelaskan bahawa faktor penceramah amat mempengaruhi latihan.

5.0 Perbincangan

Hasil kajian ini menyokong pendapat yang dijalankan oleh (Leduchwicz,1982) dimana ia menyatakan bahawa faktor penceramah amat mempengaruhi keberkesanan latihan. Ini menjelaskan bahawa selain daripada keupayaan jurulatih, keupayaan untuk mempengaruhi pelatih juga adalah penting.

Merujuk semula kepada Jabatan Meteorologi Malaysia, faktor jurulatih sangat mempengaruhi keberkesanan latihan kerana modul meteorologi adalah satu modul yang sangat teknikal dan memerlukan jurulatih yang benar-benar pakar dalam bidang ini. Kandungan kursus ini memerlukan kepakanpan dan pengalaman untuk membolehkan ianya dapat disampaikan dengan baik. Jurulatih perlu mempersembahkan bahan yang disampaikan kepada pelatih dan menerangkan kepada pelatih dimana memerlukan masa yang sedikit untuk menyampaikan maklumat yang hendak disampaikan. Dari segi kepelbagaian pula jurulatih perlu menggunakan pelbagai bahan, kaedah dan persoalan untuk memastikan pelatih tidak merasa bosan dan merasa corak latihan yang sama dan hambar setiap kali sesi latihan diadakan. Sesungguhnya modul ini memerlukan daya imaginasi yang tinggi kerana apa yang dipelajari tidak dapat dilihat dengan mata kasar. Ia lebih kepada teori-teori yang berkaitan atmosfera dimana amat sukar untuk difahami.

Dari segi orientasi tugas pula ialah merujuk kepada jurulatih yang berorientasikan pencapaian iaitu setiap kali sesi latihan diadakan ia akan memastikan penerimaan pelatih berada di tahap tinggi, sederhana atau rendah. Jurulatih dengan orientasi tugas yang tinggi akan peka dalam memastikan semua bahan latihan diajar dengan sempurna. Jurulatih yang berkesan juga akan menggunakan masa latihan dengan berkesan. Namun apa yang terjadi di JMM, tenaga pengajar adalah terdiri daripada pengarah-pengarah bahagian yang mempunyai masa yang amat terhad memandangkan ia mempunyai tugas hakiki yang sedia ada. Penilaian terhadap peserta tidak dapat dilakukan dengan baik jika masa yang diberikan adalah terhad.


Kajian ini akan membantu organisasi memahami dan mengenalpasti faktor yang memberi kesan kepada keberkesanan latihan. Latihan yang berkesan ialah apabila pelatih dapat mengamalkan apa yang dipelajari semasa latihan ke tempat kerja. Terdapat banyak faktor yang mempengaruhi keberkesanan latihan dan diantaranya ialah faktor individu, faktor jurulatih dan faktor persekitaran walaupun faktor persekitaran adalah tidak sigifikan di dalam kajian ini.
Kekangan terhadap kajian ini adalah kerana saiz populasi adalah kecil memandangkan pengambilan pegawai adalah mengikut keperluan dan kekosongan.

Dari segi implikasi, secara teori kajian ini memberi gambaran baru dari segi input dan perspektif memandangkan jabatan ini adalah jabatan yang berlatarbelakangkan teknikal. Berbanding dengan kajian terdahulu kebanyakkanya mempunyai latarbelakang yang berbeza dimana organisasi ini kebanyakkanya adalah dalam bidang Sains Matematik dan Fizik. Dari aspek praktikal pula, kajian ini bukan sahaja memberi sumbangan dari segi akademik tetapi juga member manafaat serta menambah pengetahuan dalam pengkajian bidang pengurusan sumber manusia. Kajian ini juga dapat member maklumat kepada Jawatankuasa Latihan Jabatan bagi tujuan pembentukan strategi dan program berkaitan.

Selanjutnya, penemuan kajian ini juga boleh memberi gambaran menyeluruh bagi kajian akan datang. Seterusnya dicadangkan agar Jabatan Meteorologi Malaysia memperbanyakkan penceramah dari luar iaitu penceramah yang mahir dalam bidang meteorologi dan pada masa yang sama mempunyai kemahiran mengajar di pusat pengajian tinggi. Selain daripada itu, penceramah-penceramah dari Pertubuhan Meteorologi Sedunia juga amat membantu untuk meningkatkan mutu pengajaran dan pembelajaran memandangkan pengajaran yang diberikan lebih interaktif dan berkesan. Kebanyakan kajian keberkesanan latihan dijalankan secara kuantitatif dan adalah lebih baik jika ia dijalankan secara kualitatif dimana keadaan ini dapat mengetahui sesuatu perkara itu dengan lebih mendalam. Kajian kualitatif biasanya dijalankan sebab penyelidik berminat untuk meneroka, membuat interpretasi dan mendapat pemahaman yang mendalam tentang sesuatu kes, bukan untuk menguji sesuatu hipotesis sebagai mana kaedah kuantitatif

6.0 Kesimpulan

Kebanyakan pengurusan organisasi melahirkan kekecewaan kerana tidak dapat melihat keberkesanan latihan dilaksanakan di tempat kerja oleh para pelatih yang telah dihantar menghadiri sebarang kursus yang sangat penting untuk diaplikasikan dalam organisasi. Namun demikian, kekecewaan ini tidak disertai oleh usaha yang bersungguh-sungguh untuk mengenal pasti faktor yang akan mempengaruhi keberkesanan latihan secara optimum. Oleh itu, kajian keatas faktor-faktor yang dikenalpasti amatlah penting untuk dilakukan agar penambahbaikan kepada kursus

Secara keseluruhannya, kajian ini berjaya mencapai objektif yang ditetapkan. Penemuan-penetuan kajian adalah berdasarkan kepada situasi semasa kajian ini dijalankan serta diharapkan boleh dimanfaatkan penemuan ini demi mempertingkatkan keberkesanan Kursus Asas Meteorologi pada masa akan datang.

RUJUKAN


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ABSTRAK


Keywords: gaji minima, IKS, prestasi kerja, kesan pelaksanaan

PENDAHULUAN

1.1 Latar Belakang Kajian


Isu tersebut telah diutarak oleh Kongres Kesatuan Sekerja Malaysia (MTUC) melalui satu tuntutan yang bersifat kolektif. Melalui tuntutan itu, MTUC mendesak kerajaan supaya melaksanakan dasar gaji minima berdasarkan kepada:
a. Kebanyakan para pekerja yang tidak mahir dan tidak mempunyai persatuan menerima kadar gaji harian yang sangat rendah.
b. Keputusan kerajaan menaikkan gaji pekerja sektor awam serta pemberian elaun sara hidup kepada kakitangan kerajaan menjelaskan betapa kos sara hidup kini yang telah meningkat.
c. MTUC menegaskan bahawa kerajaan bersikap tidak adil kepada lebih daripada lapan juta pekerja sektor swasta yang menerima kadar gaji rendah berbanding kadar gaji yang diterima kakitangan awam di negara ini.
d. Tindakan pihak kerajaan menolak tuntutan gaji minima pada awalnya telah menggalakkan kemasukan pekerja asing yang banyak membanjiri pasaran buruh tempatan.

Apa yang membuatkan tuntutan gaji minima yang hangat diperdebatkan ini adalah disebabkan beberapa faktor seperti isu kenaikan gaji oleh kakitangan kerajaan, kenaikan harga minyak dan kenaikan harga barangan keperluan semasa dan didorong juga faktor sampingan lain seperti faktor politik.

1.2 Pernyataan Masalah


Bahkan satu ketika dulu, Dr Mahathir bin Mohamad, bekas perdana menteri Malaysia yang ke 4 pernah menggesa bahawa produktiviti dan prestasi kerja mestilah selaras dengan pendapatan yang diterima. Sehubungan itu, apabila diwartakan dasar gaji minima ini, pelbagai tanggapan yang membabitkan produktiviti dan prestasi dikaitkan dengan kadar gaji yang ditetapkan oleh kerajaan terhadap majikan dan pekerja-pekerja mereka. Anggapan dan andaiain ini membawa kepada penyelidikan yang harus dibuat bagi mengkaji keberkesanan dan impak pelaksanaan gaji minima ini terhadap majikan dan pekerja-pekerja sektor swasta.

**Perbezaan antara gaji dan gaji minima**

*Konsep gaji*

Gaji merupakan salah satu elemen utama yang terkandung di dalam kontrak perkhidmatan atau kontrak untuk perkhidmatan ataupun dalam cadangan setiap rundingan kolektif di dalam sesuatu perjanjian kolektif sama ada perjanjian kolektif yang baru mahupun memperbaharui perjanjian kolektif yang lama di antara kesatuan pekerja dengan majikan atau kesatuan majikan.

Dari segi definisi, gaji pendapatan atau upah sebagaimana yang ditakrifkan di bawah Seksyen 2 Akta Kerja 1955 ialah seperti berikut” upah pokok dan semua pembayaran lain dalam tunai
kepada seseorang pekerja bagi kerja yang dilakukan atas kontrak perkhidmatan... tetapi ianya tidak termasuk:

a. Nilai rumah, tempat tinggal atau bekalan apa-apa makanan, minyak lampu atau air atau rawatan perubatan atau mana-mana kemudahan atau perkhidmatan yang diluluskan.

b. Caruman yang dibayar oleh majikan sendiri kepada kumpulan wang pencen, kumpulan yang simpanan, skim pemberhentian pekerja, penamatan, mengurangkan pekerja atau skim persaraan, skim jimat cermat atau mana-mana kumpulan wang lain atau skim yang ditubuhkan untuk faedah dan kebaikan pekerja.

c. Elaun perjalanan atau nilai konsesi perjalanan.

d. Jumlah yang kena dibayar kepada pekerja untuk menanggung perbelanjaan khas yang diperlukan oleh kerana jenis pekerjaannya.

e. Ganjaran yang kena dibayar atas pemberhentian atau persaraan.

f. Bonus tahunan.

Konsep Gaji Minima

Konsep gaji minima pula merupakan satu elemen yang melibatkan keadilan sosial yang bertujuan untuk membantu mengurangkan kadar kemiskinan dengan meningkatkan kuasa beli mereka yang miskin melalui peningkatan kadar gaji. Dari segi undang-undang, akta gaji minima ini mewajibkan majikan menggaji pekerjanya pada kadar yang telah ditetapkan oleh kerajaan sebanyak RM900 bagi kawasan Semenanjung manakala sebanyak RM800 bagi kawasan Sabah dan Sarawak. Manakala dari sudut ekonomi, ia merupakan kadar gaji yang ditetapkan lebih tinggi dari kadar gaji semasa.

Prestasi Kerja

Prestasi kerja merupakan konsep yang sangat meluas diperkatakan dan dibahaskan berdekad lamanya. Dalam sebuah organisasi, prestasi kerja memainkan peranan yang sangat penting dalam usaha mencapai tujuan dan matlamat setiap organisasi. Bagi mengekalkan kecemerlangan dalam setiap organisasi, penumpuan terhadap perbaikan yang berterusan dalam prestasi kerja adalah perlu dalam meningkatkan produktiviti dan kualiti kerja setiap individu. Poon (1994) beranggapan bahawa setiap organisasi perlu menilai prestasi kerja setiap individu dari masa ke semasa bagi menentukan produktiviti dan sumbangan yang berterusan kepada organisasi.

Prestasi kerja selalunya ditakrifkan dalam psikologi industri dan organisasi yang berkaitan dengan tempat kerja seseorang. Ia juga merupakan sebahagian daripada bidang pengurusan sumber manusia yang merujuk kepada seseorang yang melakukan tugas sama ada baik atau buruk. Walaupun terdapat kekeliruan bagaimana ia perlu ditakrifkan secara tepat, prestasi kerja adalah satu ciri yang penting berkaitan kejayaan dan hasil organisasi. Dari perspektif psikologi, Campbell (1990) menggambarkan prestasi kerja sebagai pembolehhabah tahap individu. Menurut Campbell (1993), prestasi adalah dikatakan sebagai seseorang yang diupah oleh organisasi untuk melakukan tugas dengan baik. Prestasi kerja secara umum boleh didefinisikan sebagai tingkah laku yang dilakukan oleh pekerja-pekerja di tempat kerja yang berkaitan dengan matlamat organisasi (Campbell, 1994).

5 Akta Pekerjaan 1955 dan Peraturan-Peraturannya
Kajian semasa termasuk penilaian secara umum ditakrifkan prestasi tugas, serta petunjuk tingkah laku prestasi tugas yang berkaitan hanya pekerjaan tertentu tingkah laku prestasi tugas yang berkaitan hanya pekerjaan tertentu (contoohnya, kepuasan pelanggan sering digunakan untuk mengukur prestasi tugas dalam industri perkhidmatan). Di samping itu berkenaan prestasi tugas, dimensi prestasi yang lain telah dikenal pasti (misalnya, Murphy, 1990; Organ, 1997), seperti tingkah laku kewarganegaraan organisasi (OCB), yang merujuk kepada tingkah laku budi bicara yang manfaat organisasi dengan meningkatkan sosial dan psiko-logik konteks dalam man teras teknikal organisasi beroperasi (Borman & Motowidlo, 1993; Organ, 1997).

Campbell (1990) telah mencadangkan lapan faktor model prestasi bersandarkan faktor penyelidikan analisis yang cuba untuk menguasai dimensi kewujudan prestasi kerja (ke tahap lebih kecil atau lebih besar) di semua pekerjaan.

1. Faktor yang pertama ialah tingkah laku tugas tertentu (task specific behaviors) yang termasuk tingkah laku mereka bahawa jen tanj individu sebagai sebahagian daripada pekerjaan. Mereka adalah tugas substantif teras yang menggambarkan antara satu pekerjaan dengan yang lain.

2. Sebaliknya, tingkah laku tertentu bukan tugas, faktor kedua, adalah tingkah laku yang seorang individu adalah dikehendaki untuk melaksanakan yang tidak hanya merujuk kepada kerja tertentu.

3. Bertulis dan tugas-tugas komunikasi lisan merujuk kepada aktiviti-aktiviti di mana penyandang dinilai, bukan pada kandungan mesej yang semestinya, tetapi pada kecakapan yang mereka menya mpana komunikasi. Pekerja perlu membuat persembahan lisan dan bertulis formal dan tidak formal untuk pelbagai khalayak dalam pelbagai pekerjaan yang berbeza dalam menaga kerja.

4. Prestasi individu juga boleh dinilai dari segi usaha, sama ada hari ke hari, atau apabila terdapat keadaan yang luar biasa. Faktor ini mencerminkan sejauh mana individu menjalankan tugas-tugas pekerjaan.

5. Domain prestasi juga mungkin termasuk aspek disiplin diri.

6. Dalam pekerjaan di mana individu bekerja rapat atau sangat saling bergantung, prestasi mungkin termasuk sejauh mana seseorang membantu kumpulan dan rakan sekerja. Ini mungkin termasuk bertindak sebagai model peranan yang baik, memberi nasihat, latihan atau membantu mengekalkan matlamat kumpulan.


Satu lagi taksonomi prestasi kerja telah dicadangkan dan dibangunkan oleh Murphy (1994). Model ini adalah jauh lebih luas dan memahagikan prestasi ke dalam hanya empat dimensi.

1. Tingkah laku berorientasikan tugas adalah sama dengan tingkah laku tugas tertentu dalam model Campbell. Dimensi ini termasuklah mana-mana tugas-tugas utama yang berkaitan dengan pekerjaan seseorang.
2. **Interpersonally** berorientasikan tingkah laku diwakili oleh mana-mana interaksi yang pekerja utama ada dengan pekerja lain. Ini boleh menjadi tugas yang berkaitan atau bukan tugas yang berkaitan. Dimensi ini menyimpang dari taxonomy Campbell kerana ia termasuk tingkah laku (ucapan, bersosial, dan lain-lain) yang tidak menuju ke arah matlamat organisasi.

3. **Down-time behaviors** adalah tingkah laku yang mana pekerja melibatkan diri mereka pada masa lapang sama ada di tempat kerja atau di luar tapak. Down-time behaviors yang berlaku di luar tapak hanya dianggap sebagai prestasi kerja apabila mereka kemudiannya menjelaskan prestasi kerja (sebagai contoh, di luar tingkah laku yang menyebabkan ketidakhadiran).

4. Tingkah laku yang boleh merosakkan / berbahaya.

Dalam erti kata lain, prestasi kerja adalah tingkah laku yang menyumbang kepada matlamat organisasi. Menurut Motowidlo,Borman dan Schmidt (1997) , mereka turut memberi hujah definisi yang sama bahawa prestasi kerja merupakan tingkah laku yang boleh dinilai dari segi sejauh mana ia memberi kesan kepada organisasi.

Viswesvaran dan Ones (2000) memperkenalkan takrifan yang terbaru tentang prestasi kerja sebagai “tindakan berskala, tingkah laku dan hasil daripada pekerja yang terlibat di dalam atau membawa kepada perhubungan dan menyumbang kepada matlamat organisasi”.


**Prestasi kerja sebagai konsep Multi-Dimensi**


**Prestasi Tugas (Task performance)**

Prestasi tugas itu sendiri merupakan pelbagai dimensi. Sebagai contoh, di antara komponen lapan prestasi yang diutarakkan oleh Campbell (1990), terdapat lima faktor yang merujuk kepada prestasi tugas.

i. **Job-specific task proficiency**
ii. **Non-job specific task proficiency**
iii. **Written and oral communication proficiency**
iv. **Supervision**
v. **Management/administration**

**Prestasi Konteks (Contextual Performance)**
Tingkah laku yang bertujuan terutamanya untuk berfungsi dengan lancar dalam organisasi kerana ia adalah pada masa sekarang dan tingkah laku proaktif yang bertujuan untuk mengubah dan memperbaiki proses organisasi dan prosedur kerja.

**Hubungan antara prestasi tugas (task) dan prestasi konteks (contextual performance).**


**Prestasi sebagai satu Konsep yang Dinamik**

Prestasi individu tidak stabil selamanya. Kepelbagaian dalam prestasi individu mencerminkan proses pembelajaran dan perubahan jangka panjang perubahan sementara dalam prestasi (Sonntentag, 2002). Penyelidik telah menggunakan pelbagai perspektif untuk mengkaji prestasi. Pada tahap yang paling umum seseorang boleh membezakan antara tiga perspektif yang berbeza:

1. seseorang individu perbezaan perspektif yang mencari untuk ciri-ciri individu (contohnya, umum keupayaan mental, personaliti) sebagai sumber untuk perubahan dalam prestasi,

2. perspektif situasi yang memberi tumpuan kepada aspek situasi sebagai fasilitator dan halangan untuk prestasi, dan

3. perspektif peraturan prestasi yang menerangkan proses prestasi. Perspektif ini tidak saling eksklusif tetapi pendekatan fenomena prestasi dari sudut yang berbeza yang melengkapi satu sama lain.

Campbell (1990) mencadangkan satu model umum perbezaan individu dalam prestasi yang menjadi sangat berpengaruh (rujuk juga Campbell et al., 1993). Dalam model beliau, Campbell membezakan komponen prestasi (misalnya, kecekapan tugas tertentu kerja) dan penentu komponen prestasi kerja dan ramalan ini.

Campbell menerangkan komponen prestasi sebagai fungsi tiga penentu

1. perisytiharan pengetahuan,

2. pengetahuan prosedur dan kemahiran, dan

3. motivasi.

Kesimpulan

Dalam setiap hubungan pekerjaan, upah atau gaji merupakan elemen terpenting dalam menjalankan kehidupan sehari-hari dan merupakan instrumen utama yang menghubungkan pekerja dan majikan. Oleh itu, upah atau gaji juga penting bagi setiap majikan untuk membangunkan sesebuah organisasi.

Bagi para pekerja, upah merupakan sumber pendapatan yang penting bagi menentukan tahap kualiti hidup mereka di samping kadar gaji minima ini merupakan ukuran pekhidmatan setiap pekerjaan yang dilakukan dalam setiap organisasi. Berlainan dengan pihak majikan, kadar gaji yang ditetapkan merupakan sebahagian daripada kos pengeluaran sesebuah organisasi. Oleh itu, ia amat penting dalam aspek penentuan daya saing, prestasi kerja dan juga jenis serta bilangan pekerja yang akan diambil untuk melakukan setiap tugas di organisasi.


RUJUKAN


ABSTRACT

Rewards always play a significant role in influencing company’s growth and employees’ retention. Employees in this new era are more interested on how the organization uses its resources. Organizational rewards are one of the key elements to reward high-performer and eventually resulting in better performance and high employee retention. Nevertheless employees’ perceptions toward rewards over its transparency, fairness and objectivity are always be the key over the satisfaction of the rewards itself. Hence this study examines the relationship between organizational rewards and work performance. The target group is HR Professionals in EZ Bank, Malaysia. The HR professionals were given questionnaire regarding the rewards practice in EZ Bank and respond to questions accordingly. 128 HR professionals participated in this study. Regression analysis results showed weak relationship between two components of rewards tested against work performance. The others, pay satisfaction and salary administration showed no relationship at all, thus having weak linear correlation with work performance.

Keywords: rewards, pay, benefits, satisfaction, work performance and human capital
INTRODUCTION

The economic challenge was evident in several ways that caused the overturn of world economy in the entire economic segments; make it even a struggle to the organization to keep up with better and efficient manpower planning as opposed to cost containment. Nevertheless, with proper planning and anticipation, organization therefore could optimize the limitation of resources with productive manpower performance towards driving high productivity and better return to the organization. This indeed requires a strong and appropriate intervention on Human Resource Management practices (HRM) that helps organization survives and overcome the challenge that occurs during the long-term economic crisis. Billkop (2006), pointed out that rewards generally has positive bearing on the individual performance, thus conform on the positive relationship between rewards and performance of the employees. However, how would the organization approach to stimulate the performance of the employees in light of the tight economic outlook and limited resources?

Howes (2010) remarked, many approaches have been developed and adopted worldwide to improve the employee’s performance including goal setting approach, measurement and feedback approach, involvement of employees in decision approach, organization’s culture approach, organization’s expectation approach, job design approach, rewards and recognition approach. These approaches aim at increases the level of motivation of the employees that eventually resulted in better employees’ performance. Most of the literatures in human resource suggest that there is a positive relation between rewards and work performance (Herzberg, Mausner & Snyderman 1959; Takeuchi, 1981; Fein, 1983; Kanungo and Mendonca, 1988; Utley et al., 1997; Osborne, 2001; Armstrong and Murlis, 2007; Sachau, 2007; Seay, 2008). However for some, argued that the huge cost implications in managing rewards could be well translated in return, by performing and productive employees. Bregmann & Scarpello (2002) opined that an individual’s desire to join an organization, to remain with an organization, and to increase effort for the organization is a function of the design and implementation of the organization’s compensation system.

Nevertheless according to Brian (2005) cited in Zaherawati, Zaliha, Nazni, Mohd Zool Hilmie & Zuriawati (2011) elucidated that the “compensatory damage” can arise from the unreliable reward system which has huge detrimental effects to the financial performance of the organization. As a result, the unreliable reward program could well translated on the reverse effects of its intended income, evidenced in reduced employees’ productivity, equity issues on the fairness and transparency of the rewards process as well as other flaws in the Human Recourse Management (HRM) practices. Thus possibly could invite some negative perceptions from the employees on the fairness and transparency of the rewards program within the organization.

LITERATURE REVIEW

PAY SATISFACTION AND WORK PERFORMANCE

Organizations often use many criterions to study how effective their compensation plans are in driving the motivation of employees to work harder or as a tool to reward performer. These criteria include improved performance, compliance with laws and regulations, cost reduction, and contribution to the strategic plans (Bergmann, & Scarpello, 2002; Gomez-Mejia and Balkin, 1992). Besides, Heneman and Schwab (1985) highlighted that a consistent findings in the literature that there is a positive relationship between pay level and pay satisfaction. This is line with Heneman & Judge (2000) argued satisfaction with pay is directly related to the pay level.
Nevertheless Lawler (1971) cautioned that in order to model the precise relationship between pay level and pay satisfaction, care must be taken to consider the characteristics of the person and job as well as pay system administration (Dyer & Theriault, 1976) which may also influence pay satisfaction. Besides employee’s tardiness and attitudes also the components that have been researched on the effectiveness of compensation plans towards driving the important of organizational outcomes. Heneman & Schwab (1985) hypothesized that pay satisfaction has been shown to be related to attendance, turnover, and union vote.

Conversely, only two previous studies, Griffin, Mathieu, and Jacobs (2001) and Schneider, Hanges, Smith, and Salvaggio (2003), that linked pay satisfaction to outcomes at the organizational level of analysis. The Schneider et al. (2003) study, by contrast, assessed a narrower range of satisfaction with pay; their measure used two items, namely respondents’ comparison of pay with others in similar jobs and respondents’ rating of the amount of their pay.

In addition, Lawler and Porter (1967) found that satisfaction with pay seems to be more a function of where an individual currently slots himself on pay, relative to where he feels he should be, than of his absolute pay level. The actual pay level and satisfaction is probably a function of the discrepancy of perceived pay level and the amount that employees believe their pays should be (William, McDaniel & Nguyen, 2006 cited in Till & Karren, 2011). According to Malhotra, Budhwar & Prowse (2007), perceived satisfaction with the pay received on the work done and relatively paid better, if not equal, provided by other organization

As well that it is not surprising that salary or wages as measures of pay level consistently have been shown to influence pay satisfaction (Berger & Schwab, 1980; Dreher, 1980; Dreher, Ash & Bretz, 1988; Lawler, 1971; Miceli & Lane, 1991; Motowidlo, 1982; Ronan & Organt, 1973; Schwab & Wallace, 1974). Amount of pay relative to others working in similar jobs in other organizations (external equity) positively would have a direct influence over pay level satisfaction (Dyer & Theriault, 1976; Gerhart & Milkovich, (1992); Lawler, 1971; Miceli & Lane, 1991; Rice, Philips, & Mcfarlin, 1990).

For generating pay satisfaction, organizations have to ensure transparent policy of perception of pay-for performance. Perception of pay-for-performance is therefore influence positive influence on pay satisfaction. Bordia and Blau (1998) observed, perceived relationships between pay and performance account for more variances in pay raise satisfaction than all the demographic variables put together. Thus, establishing a pay-for-performance compensation system may be the most effective way to promote pay level satisfaction.

**BENEFITS SATISFACTION AND WORK PERFORMANCE**

Most of the organizations use the differentiated employee benefits to attract, retain, and motivate employee. It will increase employee satisfaction, if the benefits offered are matching the needs and the expectation of the employee. Employee benefits are defined, as that part of the total compensation package, other than pay for time worked, provided to employees in whole or in part by employer payments such as life insurance, pension, workers’ compensation, vacation etc. (Milkovich & Newman, 2010; Moussa, 2000). According to Dreher et al., (1988), benefits satisfaction is influenced by benefit coverage and employee cost. Essentially employees of all level are given the coverage of benefits. Thus it may be useful to investigate factors that differs their perception towards benefit satisfaction (Gerhart & Milkovich, 1992; Miceli & Lane, 1991). Nevertheless, the individual differences still determine the level of benefits satisfaction as that would be the most predictive measure.
Miceli and Lane (1991) discovered that age negatively influences benefit satisfaction. Therefore, simply put that the longest serving staff in the organization is not influenced by the benefits satisfaction. This can be well-linked to the argument that the use of medical benefits, the most expensive of all benefits to employers and often employees (Milkovich & Newman, 2008), increases with age (Taubman & Rosen, 1982). Since older employees may be particularly sensitive to out of pocket benefit expenses (Barringer, Milkovich, & Mitchell, 1990), they are expected to be less satisfied with their benefits. It was also indicated that salary grade level is hypothesized to be negatively related to benefit satisfaction. Miceli and Lane (1991) highlighted that as inputs into the benefit system (like co-payment, deductibles, etc.) increases relative to benefit outcomes, satisfaction with benefits should decrease. In this context, it can be concluded the higher the level of income for employee earn in the organization, the lesser the impact on the benefits satisfaction persists among the higher-earning groups.

PAY RAISE AND WORK PERFORMANCE

Pay raise satisfaction are influenced by three variables that was hypothesized by Dyer & Theriault (1976). 1. The past raise history of the individual is expected to positively influence pay raise satisfaction. This has influence someone who have experienced the raise in the past would have positive reaction towards the raises; 2. Accuracy of performance assessment, positively influences pay satisfaction and 3. Perceived contingency between performance and pay, influences pay raise satisfaction.

However Dyer & Theriault (1976) argued should the employee perceive the appropriateness of pay criteria of which based on other criteria than performance, are also likely to see the criteria as appropriate thus resulting in the lower satisfaction with pay raise. The same sentiment was discovered from Folger and Konovsky (1989) who hypothesized that the perceived fairness of pay raise procedures, explained variance in pay satisfaction beyond the effect due to pay raises.

SALARY ADMINISTRATION AND WORK PERFORMANCE

Dyer and Therriault (1976) pointed that perceived understanding of pay criteria has a direct influence over pay satisfaction. Therefore it is logic to argue that employees who understand the pay policies, pay criteria, pay structure, the pay system and as well as the administration of pay in the organization will be then resulted in the salary administration satisfaction. Miceli and Lane (1991) also put forward that perceived managerial influence over the pay would affect satisfaction with the way the pay system is structured and administered. Those who have perceived that the manager play a less influential over the pay system is likely to have better satisfaction over salary administration.

Most of the organizations use the performance appraisals as a basic in their pay decision thus those who relate their salary administration to performance appraisal dissatisfaction would influence their salary administration satisfaction. Heneman & Schwab (1985) argued that attitudes about the performance appraisal process were often related to pay system administration, and based on Dyer and Therriault’s (1976) findings, such attitudes should influence pay satisfaction.

As regards to the earlier discussion, despite many studies on rewards satisfaction (Ducharme, Singh., & Podolsky, 2005; Vest, Scott & Markham, 1994; Wu & Wang, 2008), most of them are either outdated, not fit or irrelevant to today’s setting. In addition to that, in most studies, the scope of study was not focusing on the impact of many types of organizational rewards.
specifically on individual work performance. Consequently, further studies to reflect on different audience and target setting must be explored and various organizational rewards must be examined in respect of its impact on individual work performance. Indeed, many researches in the past have shown that employees’ performance is influenced by rewards satisfaction, but the context of study was on the different setting such that the researchers are predominantly western-oriented and the focus then was on the context of western world. This has minimum reflection on the Asian countries especially Malaysia. In addition, less attention also has been given to study on the rewards satisfaction amongst the human resource staff that hypothetically reflects positively on their work performance.

As this scenario refers to Malaysia’s context, it is vital to understand the overall rewards system in EZ Bank and its relationship with EZ Bank’s HR professionals especially in discharging their duties. In view, human resource professionals in EZ Bank acts as a strategic business partner, the emphasis on the work performance is rather critical as the expectation of the business and the customers within, has increases tremendously. Hence, there is a greater need to examine the relationship between organizational rewards satisfaction and work performance in EZ Bank. This study would help to uncover what motivates EZ’s HR professionals and more specifically to find out which aspects of organizational rewards functions well and which aspect could be further improved.

The research framework is basically based on the potential source and consequence of the reward which introduced by Judge (1993) and Ballentine, McKenzie, Wysocki, & Kepne (2009) is as illustrated in Figure 1.

![Figure 1: Research Framework](image)

The following hypotheses were proposed:

\[ H1: \text{There is a positive and significant relationship between pay level and work performance} \]

\[ H2: \text{There is a positive and significant relationship between benefit and work performance} \]

\[ H3: \text{There is a positive and significant relationship between raise satisfaction and work performance} \]

\[ H4: \text{There is a positive and significant relationship between salary administration and work performance} \]

**METHOD**

**PARTICIPANTS**
128 out of 312 HR professionals (52 male, 76 female) from EZ Bank participated in this study. Majority of participants were single which is 53.9%. 46.1% from married group. Adding to this, majority of participants were also from age 20-30 years old which is 48.4%, 33.6% from age 31-40 years old. 14.1% from age 41-50 years old and 3.9% from more than 50 years old. Islam constitutes 69.5% of the survey respondents, followed by 15.6 Buddha and 3.9% Hindu. The majority of participants were from group experience more than 10 years which is 35.2%. 24.2% is from group experience 4-5 years, 21.9% from group experience 6-10 years and 18.8% from 1-3 years experience.

MEASUREMENTS

Work performance was the dependent variable and the measure was adapted from William and Anderson (1991). The 7-item scale asked respondents about performing their work in EZ Bank. Rewards satisfaction was measured by four dimensions; pay satisfaction, benefits satisfaction, pay raise satisfaction, and salary administration were the independent variables tested in this study. Rewards satisfaction was assessed using 18-item scale adapted from Henewan and Schwab (1985) where respondents were asked about their perceptions of rewards practices in terms of pay, benefits, pay raise and salary administration. In this study, each of the adapted questions asked how strongly the respondents agreed or disagreed with the statement given on a five-point scale whereby, 1 = strongly disagree and 5 = strongly agree.

FINDINGS

CORRELATION ANALYSIS

The means, standard deviations and correlation matrix of the variables measured for 128 participants is shown in Table 1. The internal consistency reliabilities (Cronbach’s alpha) of the research measures are reported in parenthesis along the diagonal of the correlation tables. The reliability value for independent variables are pay satisfaction; 0.961, benefits satisfaction; 0.925, raise satisfaction; 0.843 and salary administration satisfaction; 0.846. As well, reliability for dependent variable, work performance recorded reliability of 0.763.

Table 1 also reveals that pay satisfaction (r = 0.012, p < 0.01) and salary administration (r = -128, p<0.01) have no correlation to work performance, benefits has weak negative correlations; (r = -.260, p<0.01), pay raise also has weak negative correlations (r = -0.191, p<0.01). The results suggest that the participants (HR professionals) indicated that reward program is not one key factor that contributes to the work performance in EZ Bank.

<table>
<thead>
<tr>
<th>Variables</th>
<th>N</th>
<th>Mean</th>
<th>S.D.</th>
<th>Pay</th>
<th>Benefits</th>
<th>Pay Raise</th>
<th>Salary Admin</th>
<th>Work Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pay</td>
<td>128</td>
<td>3.21</td>
<td>.808</td>
<td>.458</td>
<td>.961</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefits</td>
<td>128</td>
<td>3.79</td>
<td>.648</td>
<td>.458</td>
<td>.925</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Raise</td>
<td>128</td>
<td>3.22</td>
<td>.692</td>
<td>.493</td>
<td>.843</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salary Admin</td>
<td>128</td>
<td>3.23</td>
<td>.578</td>
<td>.338</td>
<td>.642</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Work Performance</td>
<td>128</td>
<td>3.68</td>
<td>.324</td>
<td>.260</td>
<td>-.191</td>
<td>-.128</td>
<td></td>
<td>(.763)</td>
</tr>
</tbody>
</table>
** Correlation is significant at the 0.01 level (2-tailed).
* Correlation is significant at the 0.05 level (2-tailed).

REGRESSION ANALYSIS

The regression analysis as shown in Table 2 indicates that the rewards satisfaction in this study have weak contribution toward the work performance of EZ Bank’s HR professionals. The four dimensions of rewards satisfaction explained 13.7% ($R^2 = 0.137$, $F$ value $= 4.867$, $p<0.05$) toward work performance. 86.3% was explained by other factors such as company’s policies and cultures that may be the contributor factors toward the dimension of rewards satisfaction which were not analyzed in this study. The results in Table 2 indicate that only two dimensions of rewards satisfaction are significant. Among two dimensions, the pay satisfaction shows the highest influence toward work performance ($\beta= .375; p<0.05$), followed by benefits satisfaction with ($\beta= -.272; p<0.05$).

<table>
<thead>
<tr>
<th>Variables</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>$t$</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>4.273</td>
<td>.193</td>
<td>22.190</td>
<td>.000</td>
</tr>
<tr>
<td>Pay</td>
<td>.150</td>
<td>.050</td>
<td>.375</td>
<td>3.018 .003</td>
</tr>
<tr>
<td>Benefits</td>
<td>-.136</td>
<td>.049</td>
<td>-.272</td>
<td>-2.778 .006</td>
</tr>
<tr>
<td>Raise</td>
<td>-.118</td>
<td>.061</td>
<td>-.253</td>
<td>-1.930 .056</td>
</tr>
<tr>
<td>Salary Admin</td>
<td>-.057</td>
<td>.064</td>
<td>-.101</td>
<td>-.885 .378</td>
</tr>
</tbody>
</table>

$p<0.05$, $R$: 0.370, $R^2$: 13.7%, $F$: 4.867

DISCUSSION AND CONCLUSION

The main aim of this study was to examine the rewards satisfaction and work performance. The empirical results of this study suggest that rewards satisfaction have insignificant influence over employees’ satisfaction that could impact one performance. Its impact is proven not as great as it assumed to have. This statistical evidence has proven otherwise that rewards satisfaction is not the key factors to motivate employees and therefore has got no strong bearing over the work performance of the employees. Thus, the contribution of this study really discovered that rewards satisfaction has no influenced over the work performance of HR professionals in EZ Bank of which proven that rewards satisfaction; pay, benefits, pay raise and salary administration have very weak relationship in influencing the work performance of the employees specifically HR professionals.

As the study clearly rejected the hypotheses put forward, one could agree that rewards as the key factor to push for better work performance, cannot be over-emphasized. This is due to employees does not looking into rewards as to motivate them to perform but also looking into other elements of satisfaction that could relate to one’s motivation to still perform though not happy with the pay, benefits, pay raise or even the way of salary being administered. This is inconsistent with studies on pay ( Dyer & Theriault, 1976; Heneman, 1985; Griffin et al., 2001; Schneider et al., 2003, Berger & Schwab,1980; Dreher, 1980; Dreher et al., 1988; Lawler, 1971; Miceli & Lane, 1991; Motowidlo, 1982; Ronan & Organt, 1973; Schwab & Wallace, 1974), benefits ( Gerhart & Milkovich, 1992; Miceli & Lane, 1991); pay raise
Thus, we have to revisit into human’s drive to motivation. As discussed earlier in this study on the intrinsic rewards that one could have from the job itself, thus create the inner strength to continue to perform and as any amount of salary received from the job is thereafter used to fulfill one’s basic needs as per Maslow’s Theory. Maslow (1943) also argued that only unsatisfied needs provide the sources of motivation. Kast and Resenweigh (1985) also argued that motivation refers to motive that prompt a person to act whether positively or negatively towards work. In this case though the mean for organization rewards is lower than the mean in work performance, one should have other force as to perform the job up the mark and avoid the aspects that would fail the job assigned.

Conversely based on this study we could acknowledge the fact that HR professionals are not truly satisfied with the rewards as well. It could be concluded that there are other elements that could drive HR professionals in EZ Bank to still perform and deliver their task accordingly though they have reversed their feedbacks on the elements of rewards of which to certain extend did not satisfy with the organizational rewards they received. Based on this we could infer that rewards package does not concern the HR professionals as to extend compromise their quality of work.

In term of benefits EZ Bank being the leading bank in Malaysia has so much to offer to its staff. EZ Bank is one of the financial institutions that still give the uncapped medical benefits to its staff and their family. On top of that EZ Bank also offers other benefits such as Long Term Incentive Plan or better known as ESOS (Employee Share Ownership Scheme) and many more that could potentially draw positive respond from respondent. Though, the benefits offered alone could not be concluded as a factor to showcase the satisfaction of HR Professionals over rewards given or experienced by them.

The study stands to conclude that there were weak correlations between organizational rewards and work performance amongst the HR professionals in EZ Bank

**MANAGERIAL IMPLICATION**

The finding and analysis of this research will provides clarity on what drives performance of HR professionals in EZ Bank. It is confirmed that rewards satisfaction has no bearing over the work performance; subsequently the management would need to look into other factors that could lead to some gaps in HR professional’s performance. In summary, the prescriptions discussed are suggestive of the types of the actions that the HR’s management in EZ Bank has also needs to look into the work processes, infrastructures, development and career’s advancement plan for the staff and culture, consequently HR professionals could be more effective and efficient in the course on discharging their duties. As HR department in EZ Bank is supporting the EZ Bank’s Group agenda to be the powerhouse of regional financial services in the future, HR department must also be able to support its agenda as well as the very own people agenda. This therefore requires more reflection and efforts by the management beyond the rewards.

**LIMITATION OF STUDY AND FUTURE DIRECTION**

The results discussed in this study are exploratory given that the number of participants who were willing to participate in this study was relatively small. Small number of participants would raise concerns about sample bias. The small number of respondents also prohibited
splitting of the sample to analyze the data along other dimensions. However, since the rewards satisfaction is comprises of four key dimensions so one could undermined the rest. there are other factors such as organizational-dynamic such as culture, leadership, supervision and Organizational Citizenship Behavior (OCB) as well as company policies. Bigger sample size would permit a more high level of analysis for future research.

Another limitation of this study is that data provided is only one category of employees from a specific sector. Thus, the findings cannot be generalized to other category of employees and sectors. In future research, it would be desirable to have more participants from other categories and sectors.

Given the findings and acknowledging the limitation of present studies, several of potential future research exists. Since the study tested only reward components, perhaps in the future research, it may be worth investigating other variables such as culture, leadership style and others which are not being considered in this study.

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Retirement Confidence and Preparedness: A Study among Working Adults in a Northern State in Malaysia

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ABSTRACT

Planning for retirement is very important for an individual because it will secure the human needs financially during the post-retirement period. However, planning for retirement is an option of personal choice. It requires a conscious decision on the individual to allocate or put aside income to allow for financial security upon retirement. Previous literature on retirement planning has shown that across countries around the world, individuals have little or no planning for their retirement. Furthermore, in Malaysia, independent surveys show that a majority of Malaysians are not prepared for retirement. Therefore, this study attempts to examine the relationship between retirement confidence and preparedness, and the factors affecting retirement confidence and preparedness. A total of 150 working individuals between the ages of 21 to 55 participated in this study. The objectives of this study are to investigate the scenario of preparedness and confidence toward their retirement and to examine the relationship between attitude towards retirement, goal clarity and financial literacy and retirement preparedness and confidence. Results showed that goal clarity is significant in the prediction of working individuals’ retirement confidence and preparedness. The results of this study have implications for working individuals to make early planning for retirement to enable them to have a strong financial base after retirement. Hence they will be more confident and prepared to face the reality of life during retirement.

KEYWORDS: retirement confidence, attitude toward retirement, goal clarity, financial literacy

1. INTRODUCTION

All of us desire to live comfortably upon retirement without having to compromise on the standard of living in which we were used to. It is clear that retirement planning is not a compulsory but rather an option of personal choice on financial preparation and management partly based on how an individual strategize his or her income for saving, investments and spending (Tuan et al., 2011). According to Joo and Grable (2005), not everyone is financially prepared for post-working or retirement life because of either limited savings or lack of assets to generate income. Based on the Retirement Confidence Survey (Helman, VanDerhai & Copeland, 2007), only 66% of working citizens-planned to save for their retirement but the amount would be insufficient in most cases. In addition, the AXA Retirement Scope 2008 clearly stated that the retirement income for Malaysians citizens is insufficient. In general, cumulative savings amount should be sufficient to meet the financial obligations, at least, the same level of pre-retirement needs. Therefore, retirement financial planning has to be given serious consideration by all parties involved to provide financial protection to retirees.

A global retirement study across 26 countries in Europe, the United States and Asia, showed that the percentage of the Malaysian working population who have started preparing for their retirement has declined from 48% in 2007 to 38% in 2010. Meanwhile, 46% of Malaysians
surveys said that they would start to prepare for retirement when they reach the age of 50. The findings also confirm the general perception that only 14% of Malaysian working citizens know exactly how much their retirement income should be, providing evidence that many Malaysians lack awareness on retirement financial planning.

Malaysians are increasingly vulnerable to being financially unprepared and not confident for retirement because of their longer life span against early retirement age. A study entitled *Balancing Tradition and Modernity: The Future of Retirement in East Asia*, which tracked retirement behaviours and expectations across six East Asian countries (China, Hong Kong, Singapore, South Korea, Taiwan and Malaysia) was conducted in July 2012. Based on the study, Malaysia indicated that there is less than 20% whereby, upon retirement the individuals able to balance up their life. Furthermore, the Malaysian Trade Union Congress (MTUC) president reported that workers from the lowest salary group were possibly the ones who lacked financial strength to face the retirement (The Star, 25 August 2012). The younger generation of working individuals today thinks that retirement planning is a burden for them because it involves long-term planning. According to Life Insurance Association of Malaysia (LIAM), those people in 20’s think that they are too young to think about retirement, while in 30’s and 40’s tend to believe they are prepared because they have their Employee Provident Fund (EPF) savings. Meanwhile the reality at 55 is that most people cannot afford to retire, since they prepared late for retirement (Habib, 2007).

Financial planning has always been one of the high priority issues for both private and public policy makers. Among efforts taken were marketing strategies directed at cultivating savings habits and planning for post-working life. In line to this, financial service and consulting firms have made advertisements through printed and electronic media to capture the public attention towards the importance of planning for better financial security in the old age.

Previous studies showed that planning for retirement have a positive impact on a retiree’s life satisfaction and adjustment to retirement. Knowledge and understanding of issues central to financial planning could positively affect an individual’s successful transition into retirement. Hence this study has two research objectives as follows:

1. To investigate the scenario of retirement preparedness and confidence among working adults.
2. To examine the relationship between attitude towards retirement, goal clarity and financial literacy and retirement preparedness and confidence.

### 2. LITERATURE REVIEW

#### 2.1 Attitude towards retirement

Attitude refers to an individual’s positive or a negative evaluative effect about performing a particular behavior. Attitude reflects the individual’s feelings of favorableness or un-favorableness towards performing a behavior. In terms of retirement preparedness and confidence, attitude has been identified as one of the important variable which determines the financial situation of the individual during old age. David and Scott (2010) revealed that attitude of an individual will create interest to develop a financial plan for retirement. According to Lim (2003), the attitude of senior workers towards retirement planning was uncertain which indicated that they are not prepared to face retirement life.

However, Glamser (1981) and McPherson (1991) noted that, generally, individuals have favorable attitude toward retirement. This situation is very much associated with high level of income, health, education and high degree of support from family. Lusardi (1999) found that an individual’s attitude toward retirement is dependent on his financial situation. In addition, Moorthy’s study (2012), showed that attitude is a significant factor which influences
retirement planning behavior. In another study, Lai (2009) indicated female academics from public universities in Malaysia had more positive attitudes towards retirement as compared to their male counterpart.

2.2 Goal Clarity of retirement

Hershey, Jacobs-Lawson and Neukam (2002) observed age-related reductions in the number of retirement goals, as well as age differences in the concreteness of specific retirement goal. Besides that, in further investigation, Neukam and Hershey (2003) found that financial goals are significantly related to retirement savings contributions. Furthermore, Jacobs-Lawson (2003) found that retirement goal clarity covaried with age in adulthood and is related to the perceived importance of the characteristics of retirement savings. Clear and specific goals not only enhance functioning and provide a yardstick against which individuals analyze their achievements but they also provide guidance for the future.

According to Stawski, Hershey and Jacobs-Lawson (2007) found that retirement goal clarity is a significant factor which influences an individual’s tendency to save for retirement. The study also showed that income and age were important elements with income accounting for roughly half of the explained variance in savings contributions. In another study by Hershey and Jacobs-Lawson (2009), factor analytic work revealed support for a two-factor model that distinguished self-oriented retirement goals from goals involving others. Path analyses revealed that goal expectancy was well predicted on the basis of goals set. These studies showed that goal clarity plays an important role in the retirement planning process, and clearer retirement goals are associated with a more active pattern of retirement planning behaviors. Goals help to structure perceptions of the retirement experience and allow individuals to form expectations about future resource needs. It also helps individuals to increase both actual savings as well as the intention to save.

2.3 Financial knowledge and literacy

Financial literacy can be defined as having the knowledge, skills and confidence to make responsible financial decisions. From the perspective of traditional economic theory, a hypothetical decision-maker plans consumption and savings to maximize his or her expected lifetime utility which is subjected to a budget constraint. In making these decisions, rational individuals will need to consider all matters of their personal circumstances and make choices which will be optimal for them. However, people often put aside choices that lie in their own best interest for broadly defined reasons. First of all, they may lack the financial skills and information to understand the need for a plan or to correctly formulate the right plan.

Financial planning and being prepared for retirement are two interrelated issues. Previous research addressing financial planning often includes retirement intention because savings made in the early life-cycle turns to be the resources for later, retirement years (Tuan et al., 2011). Education and financial literacy is an important factor of financial retirement planning. The shift from defined benefit to defined contribution retirement plans means that individuals have to decide how much they need to save for retirement, how to invest their savings, and during the post-retirement period, how to allocate their portfolios and draw down their savings and income. Tan and Folk (2011) showed a distinct pattern of higher savings among higher education groups. In addition, Bernheim and Scholz (1993), and Hubbard et al. (1994) showed that there were wide disparities in wealth holding across different education groups.

Research on educational effects on financial literacy and understanding of employee benefits is generally supportive, but mixed. According to Edmiston and Gillett-Fisher (2006), there are two central themes with regards to financial knowledge: (i) “good financial behaviors are positively associated with higher levels of financial knowledge”, and (ii) “financial knowledge and behavior are positively influenced by exposure to financial education. In other
words, an individual will be able to practice good financial behavior if he or she has been given that knowledge. A study conducted by the Institute for Socio-Financial Studies (Vitt, 2000) indicated that educational approaches for employees increased their satisfaction and thus they were able to avoid financial problems. Furthermore, research also documented a positive relationship between participation in financial literacy programs and retirement preparedness (Bernheim and Garrett, 2003).

If financial illiteracy leads to poor or no planning, it may also affect wealth accumulation. Lusardi (2003) showed that households whose head has low education were less likely to plan which may explain why they accumulate little wealth or why they do not invest in high return assets. Furthermore, Lusardi and Mitchell (2006) explained that those who were financially literate when young were more likely to plan for retirement, showing that literacy affects planning and not the other way around. Moreover, planners are more likely to experience a satisfying retirement, perhaps because they have higher financial resources to rely on after they stop working. Thus, based on this complexity, individuals without sufficient financial literacy may make choices that are not in their best interest over the long term.

2.4 Retirement Preparedness and Confidence

Retirement refers to the withdrawal of oneself from the office, service, or business, which subsequently leads to a less structured lifestyle with ample leisure time. Generally, the workers, especially civil servants, understand that their income will be diminished when they age, mainly due to physical inability, and they most likely have no clue about the source of income in future once they are away from the workplace. Besides the lost of regular income coupled with inflation during the golden years is apparently a hard time for senior citizens especially with longer life expectancy. A proper plan thus is called for to provide better financial security.

However, planning for retirement is an option of personal choice. It requires a conscious decision on the individual to allocate or put aside income to allow for financial security upon retirement. However, unfortunately not everyone is ready to plan because they have either limited savings or they do not have enough assets to generate income (Joo and Grable, 2005). Numerous literature on retirement planning have shown that across countries around the world, individuals have little or no planning for their retirement. Furthermore, in Malaysia, independent surveys show that a “majority of Malaysians are not only ill-prepared for retirement, but are also unconcerned about financial security in their lifetime”. Sixty percent of the respondents interviewed were found to be ignorant of how much they would need to save for their retirement (AFFIN Life Insurance retirement Scope Report, 2010; AXA Retirement Scope, 2008; Prudential Assurance Malaysia Bhd., 2007).

Yuh, Montalto, & Hanna (1998), noted that an individual or a household is considered to be prepared for retirement when accumulated savings are generating income at least equal to a given pre-retirement level of consumption. This is supported by (Joo & Powel, 2002), whereby individuals who are actively involved in saving for retirement tend to have a higher level of retirement preparedness and confidence. Guariglia (2001) found that households which felt that the financial situation may deteriorate saved more compared to the one which did not. In addition to this, Power and Hira (2004) found that professional employees are more likely than union members and clerical staff to have started planning for retirement. Yao et al. (2003) found that low-income earners, renters, non-savers, and those without investing experience were most likely to be unprepared for retirement.
Taha and Mat (2003) state that Malaysia, as in other countries, is turning into an ageing society with 6.3% of its population being elderly (over 60 years old) in 2000 and an estimated 9.9% in 2020. People nearing retirement with little savings, especially in the low echelon of society, became financially dependent on their children. Problems were identified as (a) the low public-sector employees' pension payments and the inadequate private-sector employees' EPF savings (Caraher, 2000; Kumar, 1997; Thillainathan, 2004); (b) the gap between rising Malaysian living costs and living standards; (c) Malaysians' life longevity, susceptibility to diseases, rising medication and healthcare costs, as well as unavailability (in certain areas) and medical services privatisation, and (d) the erosion of the extended family system and the emergence of the nuclear family unit (Chan, 1997).

3. Research Questions

Based on the brief literature review, the following hypotheses were developed:

**H1:** There is a relationship between attitude toward retirement and retirement confidence and preparedness.

**H2:** There is a relationship between goal clarity and retirement confidence and preparedness.

**H3:** There is a relationship between financial knowledge and literacy on retirement and preparedness.

4. Method

4.1 Sampling Technique and Participants

Data was collected using convenience sampling and involved working adults near the workplace of the researcher. The respondents were selected to provide a broad range of work, mainly, from the education, legal, manufacturing, and healthcare sectors. Respondents in the education sector were school teachers and academic staff from a higher learning institution. The remaining respondents included administrative staff from a legal firm, and middle and lower levels administrative staff in manufacturing and a private hospital. A total of 150 survey questionnaires were distributed with 115 (76.7%) of the total survey questionnaires were returned. The survey was conducted in a northern state in Malaysia.

The survey questionnaire consisted of five sections. In section A of the questionnaire, demographic data such as age, gender, ethnicity, marital status, level of education, years of working experience and monthly income were listed. Section A also consisted of several open-ended questions, and a few questions where respondents were required to respond with either a 'yes' or 'no'. In section B to E, the survey questionnaire consisted of items which measured attitudes toward retirement, clarity toward retirement, and financial knowledge and literacy. Each of the items used a five-point Likert Scale ranging from 1 (Strongly disagree) to 5 (Strongly agree).

5. Results

5.1 Respondents’ background

Results showed that a majority of the respondents were male (53%) compared to female (47%). Based on Table 1, a majority (51.3%) of the respondents were in the age group (25 – 39 years old). In terms of marital status of the respondents, 72.2% were married, 24.3% were single and 3.5% were divorced. From the ethnicity perspective, 44.3% were Malays; 26.1% were Chinese and 29.6% Indian. The education background of the respondents involved in the survey indicated that 61.7% were 14.8% were postgraduates,
61.7% were Bachelor’s degree holders, 7% were diploma holders, 14.8% had secondary education, while the remaining respondents had primary education.

Table 1: Respondents’ demographic background (n = 115)

<table>
<thead>
<tr>
<th>Demographic Variables</th>
<th>Categories</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Male</td>
<td>61</td>
<td>53.0</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>54</td>
<td>47.0</td>
</tr>
<tr>
<td>Age</td>
<td>Below 25 years old</td>
<td>8</td>
<td>7.0</td>
</tr>
<tr>
<td></td>
<td>25-39 years old</td>
<td>59</td>
<td>51.3</td>
</tr>
<tr>
<td></td>
<td>40-55 years old</td>
<td>48</td>
<td>41.7</td>
</tr>
<tr>
<td>Marital Status</td>
<td>Single</td>
<td>28</td>
<td>24.3</td>
</tr>
<tr>
<td></td>
<td>Married</td>
<td>83</td>
<td>72.2</td>
</tr>
<tr>
<td></td>
<td>Divorced</td>
<td>4</td>
<td>3.5</td>
</tr>
<tr>
<td>Ethnicity</td>
<td>Malays</td>
<td>51</td>
<td>44.3</td>
</tr>
<tr>
<td></td>
<td>Chinese</td>
<td>30</td>
<td>26.1</td>
</tr>
<tr>
<td></td>
<td>Indian</td>
<td>34</td>
<td>29.6</td>
</tr>
<tr>
<td>Educational Level</td>
<td>Primary</td>
<td>2</td>
<td>1.7</td>
</tr>
<tr>
<td></td>
<td>Secondary</td>
<td>17</td>
<td>14.8</td>
</tr>
<tr>
<td></td>
<td>Diploma</td>
<td>8</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Degree</td>
<td>71</td>
<td>61.7</td>
</tr>
<tr>
<td></td>
<td>Postgraduate</td>
<td>17</td>
<td>14.8</td>
</tr>
</tbody>
</table>

5.1 Analysis of Results

Based on Table 2, with respect to attitude toward retirement, it is encouraging that the respondents felt that retirement would not make them feel useless (mean = 2.38). They were not looking forward to retirement (mean = 3.01) and they felt that retirement would enable them to pursue their unfulfilled dreams (mean = 3.19). Most of them worried about their life after retirement (mean = 3.22).

From the aspect of goal clarity, results showed that respondents think a great deal about quality of life in retirement (mean = 3.59). This was supported with respondents setting specific goals on the amount needed to be saved for retirement (mean = 3.27). Most of the respondents also had clear vision of their retirement life and this was supported when they discussed their plans with their spouse, friends or financial consultant (mean = 3.22). The minimum mean rating was 3.15 received by ‘setting clear goals for gaining information about retirement’.

In terms of financial knowledge and literacy, most of the respondents were aware that the value of money will depreciate over time (mean = 4.13). Next, the respondents agreed that, Employee Provident Fund (EPF) or pension scheme would be the only source of income (mean = 3.77). The mean for level of awareness of respondents in computing inflation and reducing of investment risk through participating in different investment schemes were 2.92 and 3.10 respectively. This indicated that not all the respondents were knowledgeable in aspects of financial literacy.
With respect of retirement confidence and preparedness, most of the respondents were concerned about state of their financial preparation for retirement with a mean of 3.69. In accordance to this, the respondents were not confident that they able to work out the expected income and expenditure in retirement (mean = 3.54). Furthermore, it also showed that most of the respondents were not confident of having enough money to live comfortably (mean = 2.60) and for medical expenses during their retirement (mean = 2.58).

**Table 2: Descriptive Analysis for All variables**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Attitude Toward Retirement</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B1. Retirement enables me to pursue my unfulfilled dreams</td>
<td>3.19</td>
<td>1.075</td>
</tr>
<tr>
<td>B2. I look forward to retirement</td>
<td>3.01</td>
<td>1.128</td>
</tr>
<tr>
<td>B3. I am worried about my life after retirement</td>
<td>3.22</td>
<td>1.362</td>
</tr>
<tr>
<td>B4. Retirement makes me feel useless</td>
<td>2.38</td>
<td>1.128</td>
</tr>
<tr>
<td><strong>Goal Clarity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C1. I set specific goals for how much I will need to save for retirement.</td>
<td>3.27</td>
<td>1.020</td>
</tr>
<tr>
<td>C2. I think a great deal about quality of life in retirement.</td>
<td>3.59</td>
<td>0.887</td>
</tr>
<tr>
<td>C3. I have a clear vision of how life will be in retirement.</td>
<td>3.22</td>
<td>0.953</td>
</tr>
<tr>
<td>C4. I set clear goals for gaining information about retirement.</td>
<td>3.15</td>
<td>0.891</td>
</tr>
<tr>
<td>C5. I discussed retirement plans with my spouse, friend or financial consultant.</td>
<td>3.22</td>
<td>1.066</td>
</tr>
<tr>
<td><strong>Financial Knowledge and Literacy</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>D1. I am aware that the value of money will depreciate over time</td>
<td>4.13</td>
<td>0.987</td>
</tr>
<tr>
<td>D2. Employee Provident Fund (EPF) or Public Pension scheme is the only source of income during my retirement.</td>
<td>3.77</td>
<td>1.124</td>
</tr>
<tr>
<td>D3. I am aware of other investment alternatives (stocks, properties, etc).</td>
<td>3.50</td>
<td>1.021</td>
</tr>
<tr>
<td>D4. I don’t know how the inflation rate is calculated.</td>
<td>3.36</td>
<td>0.966</td>
</tr>
<tr>
<td>D5. I understand the process of compound interest.</td>
<td>2.92</td>
<td>1.299</td>
</tr>
<tr>
<td>D6. I am aware the participating in many different investments reduces my investment risk.</td>
<td>3.10</td>
<td>1.003</td>
</tr>
<tr>
<td>D7. I am not aware of my retirement benefits offered by my company/government.</td>
<td>3.26</td>
<td>1.093</td>
</tr>
<tr>
<td>D8. I cannot clearly distinguish between retirement fund and other fund(s) (child education fund, medical fund etc)</td>
<td>3.27</td>
<td>0.967</td>
</tr>
</tbody>
</table>

Based on table 3, it shows an R-squared of 0.146. Table 4 shows that the three predictor variables are not all equal to each other and could be used to determine the dependent variable, retirement confidence and preparedness as shown by an F-value of 6.346 and significance level of 0.001 (p<0.05). Table 5 shows that of the three variables, only goal clarity is significant (p<0.05) with a beta of 0.373. However, attitude towards retirement, and financial knowledge and literacy are less significant (p>0.05) with beta of 0.031 and 0.096, respectively. Tests indicate that only goal clarity has a significant relationship to retirement confidence and preparedness. Based on the t statistic for all the independent variables it has indicated that goal clarity has significant relationship due to strong significant level (p<0.05) with retirement confidence and preparedness. Therefore, hypothesis $H_1$ and $H_3$ are rejected, while hypothesis $H_2$ is accepted.

**Table 3: Results of R square**
<table>
<thead>
<tr>
<th>R</th>
<th>R-Squared</th>
<th>Adjusted R-Squared</th>
<th>Standard Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>.383a</td>
<td>0.146</td>
<td>0.123</td>
<td>0.46649</td>
</tr>
</tbody>
</table>

Table 4: ANOVA

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>4.143</td>
<td>3</td>
<td>1.381</td>
<td>6.346</td>
<td>.001a</td>
</tr>
<tr>
<td>Residual</td>
<td>24.155</td>
<td>111</td>
<td>0.218</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>28.298</td>
<td>114</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 5: Results of Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
<th>95.0% Confidence Interval for B</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>Beta</td>
<td>t</td>
<td>Sig.</td>
<td>Lower Bound</td>
<td>Upper Bound</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4.062</td>
<td>.000</td>
<td>.922</td>
<td>2.678</td>
</tr>
<tr>
<td>Attitude</td>
<td>.031</td>
<td>.345</td>
<td>.731</td>
<td>-.110</td>
<td>.157</td>
</tr>
<tr>
<td>Goal Clarity</td>
<td>.373</td>
<td>4.246</td>
<td>.000</td>
<td>.138</td>
<td>.380</td>
</tr>
<tr>
<td>Financial knowledge and literacy</td>
<td>.096</td>
<td>1.079</td>
<td>.283</td>
<td>-.096</td>
<td>.327</td>
</tr>
</tbody>
</table>

Table 6: Overall Results of Hypotheses

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Results</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>H₁: There is a relationship between attitude toward retirement on retirement preparedness and confidence.</td>
<td>Reject</td>
<td>.731</td>
</tr>
<tr>
<td>H₂: There is a significant relationship between goal clarity and retirement preparedness and confidence.</td>
<td>Accept</td>
<td>.000</td>
</tr>
<tr>
<td>H₃: There is a significant relationship between financial knowledge and literacy and retirement preparedness and confidence.</td>
<td>Reject</td>
<td>.283</td>
</tr>
</tbody>
</table>

6. Discussion

Attitude toward retirement was found significant in this study where it was found to have a relationship to retirement planning behavior among working individuals in Malaysia similar to the study by Moorthy (2012). In another study by Lai et al. (2012) where they showed that female academic staff from public universities had more positive attitudes towards retirement. However, in the present study, this variable was not accepted. Comparatively, the other studies were conducted using a larger sample size. This could be the reason that attitude towards retirement is not significant in present study with 150 respondents.

Goal clarity was found significant in the study by Hershey et al (2007). In this study, it was also shown that goal clarity variable was significant. A study by Stawski et all (2007) in North Central Oklahoma indicating goal clarity mediating between age and savings.
contributions for retirement. The value of $R^2 = .20$. In the present study, this variable revealed significant results which were supported by the previous studies.

A study by Hershey & Mowen (2000), revealed that working adults who know more about financial planning are more likely to have prepared for retirement. From the gender perspectives, a study by Joo & Pauwels (2002) found that employer-provided financial education had a positive effect on retirement confidence. Furthermore, the availability of financial education provided by employers increased both saving in general and saving for retirement (Berheim & Garnet (2003). However, in the present study, financial literacy does not revealed significant results.

6.1 Limitation and recommendation for future research

A major limitation was identified in this study where it was conducted in a city in a northern state in Malaysia with a small sample size. It is recommended that in the future, the study can be replicated for a bigger sample size and can be expanded by introducing other variables to be tested.

7. Conclusion

Results from this study showed that different age groups of working adults have different perspectives toward retirement confidence and preparedness. The younger generation of working citizens (25-39 years old) perceived a better understanding of retirement confidence and preparedness compared to the older adults. Therefore, early planning for retirement may bring advantages and benefits to them since they have sufficient time to plan. This also enables them to plan in order to achieve their goal and dreams during their retirement.

Working adult should have a clear goal when they are planning for retirement, which will prepare them to be confident enough and be prepared to face retirement. Nonetheless, any goals or plans made for retirement should be achievable or attainable. Hence they will not lose their direction and are able to follow the scheduled plan properly. Besides that, working citizens should also obtain professional advice when they face problems in preparing their retirement plans.

REFERENCES


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Abstract

This study is an attempt to provide further insights into the theory and practice of reward management in the local context as Malaysia is implementing Islam Hadhari’s principles in the country. This study also further investigates the relationship between Islam Hadhari’s principles and perceptions of non-monetary and monetary rewards toward the reward program influences. The study adopts a quantitative approach using Partial Least Square (PLS) based Structural Equation Modeling (SEM) approach. The study will benefit the human resource practitioners theoretically and practically by providing direction and suggestions in designing and implementing the non-monetary and monetary rewards for Malaysian private organizations from Islamic perspectives.

Keywords: Reward management, Islam Hadhari, monetary and non-monetary rewards.

1. Introduction

This paper expounds a study on the impact of rewards on individuals who live and work in Islam Hadhari’s principles. The execution of Islam Hadhari took place as a model for the rest of Islamic world. Islam Hadhari gives importance to excellence in living, enabling Malaysia to be a model Islamic state with its community which is progress-oriented, highly skilled, noble, and well-disciplined (Pandian, 2008). He affirms that the approach of Islam Hadhari seeks to balance man’s responsibility in the here and the hereafter, that is this life and the next. Adding to this, the multi-cultural group in Malaysia share the Islamic ethical value and this study needs to examine and discuss human resource management, specifically on reward management practices which are more culture-specific to Malaysia. Therefore, the reward management practices in countries where Islam plays a dominant role in governing the peoples’ lives needs to reflect Islamic values held by their people.

Reward refers as the total amount of monetary and non-monetary rewards and benefits provided to an employee by an employer in return for work performed as required and as part of an employment relationship (Armstrong and Murlis, 2007; Milkovich, Newman & Gerhart, 2010). Concerning rewards, theories such as the ‘Two factor’ theory identified by Herzberg, Mausner, & Snyderman (1959), containing, as a motivational factor, elements of recognition, responsibility, advancement, achievement and growth as well as others were developed within the western, secular business environment. In contrast, this study is conducted in a predominantly Islamic cultural context. Nonetheless, Herzberg et al. (1959) believed that compensation (which is Americanized term for rewards) is what he described as a hygiene factor. Rewards are what employees receive for performance. However, in order to achieve
improvements in performance, different reward programs must be applied by the respective organizations in line with their organizational cultures and values.

A number of studies have been conducted by researchers and Islamic scholars on specific matters in Muslim countries, such as economics or banking and finance issues, but none is related to the non-monetary and monetary rewards, cultural orientation and internal/external environment factors from an Islamic perspective (Khan, 1991; Tayeb, 1997; Loqman, 1991; Heim, 2004; Ramadan, 2005). Furthermore, the studies conducted on the impact of Islam on human resource management (HRM) matters are very few (Tayeb, 1997). To fill the gap, this research will study Islam Hadhari’s principles and its relationship with perceptions of non-monetary and monetary rewards among the exempt employees in Malaysian private organizations.

Hence, this study examines the relationship between Islam Hadhari’s principles and perceptions of non-monetary and monetary rewards and also reward program influences among the exempt employees in Malaysian private organizations as illustrated in Figure 1.

1.1 Islam Hadhari’s Principles

Religion and faith do not play a prescriptive role in societal and organizational life in some western countries. In spite of this, Malaysia is 60.4 percent Islamic faith. Additionally the faith permeates all facets of social and organizational interaction. Islam Hadhari is introduced and promoted as a modern, progressive, tolerant and multicultural Islam where Muslims are encouraged to learn from interaction with other communities. It could well be a paradigm of how Malaysian Muslims should see Islam in the context of a multi-racial Malaysia facing a changing world and also considering the sensitivity of non-Muslims community towards the increasing ‘Islamization’ of Malaysia. Bashir (2005) augments that these principles have been formulated to ensure that the implementation and approach do not cause anxiety among any
group in Malaysia. Moreover, the government has to make sure its religious departments and officers are well-versed in the principles of Islam Hadhari.

Tayeb (1997) points out that Islam is an all-encompassing creed, governing every aspect of life, public and private, political and economic, and as such is relevant to business activities. The Quran advocates a system based on individual enterprise and individual reward. Tayeb (1997) argues that the cross-national research is required to investigate the implications of Islam on organizations which operate in Muslim countries with regard to human resource management practices. Therefore, given the pervasiveness of Islam and its influence on various spheres of material as well as spiritual life in most Muslim countries, it is possible to discern certain patterns in Muslim workplaces which are compatible with their Islamic origins. In this sense, as well as utilizing western Human Resource Management (HRM) concepts and studies, the Malaysian findings may inform and sensitize leaders and managers who have Muslim staff. It is proposed in the study that elements of Herzberg’s Two-Factor Theory resonates with the ten Hadhari’s principles where economic development is balanced with values such as quality of life and likewise ‘responsibilities- work itself’ (motivator/growth factor) resonates with Islam Hadhari’s Principles such as ‘mastery of knowledge’. Therefore, this study focuses on four Islam Hadhari’s principles:

**Mastery of knowledge**

With regard to an Islamic point of view, Khan, Farooq and Hussain (2010) note that any discussion of knowledge and the importance of acquiring knowledge need to begin with a consideration of what its meant by the term knowledge. As a learned scholar of Islam has recently written, the text of the Quran is replete with verses inviting man to use his intellect, to ponder, to think and to know. According to Prophet (peace upon him), ‘seeking knowledge is an obligation for every Muslim man and woman’ and Islam also repeatedly instructs man to use his powers of intelligence and observation (Surah Al-Alaq: 1-5).

Balanced and comprehensive economic development

An approach which combines the efforts to establish ethical economic practices and the ability to conduct economic activities effectively in tandem with local and international economic developments (Sūra 62: Jumu’a, Section 2 [10]). Khan et al. (2010) emphasizes that the basic concept of Islam is the basic ownership of everything that belongs to God alone in the economic field (Surah Al-Baqarah 2: 108; Surah Al-‘Imran 3: 190). The economic life of Islam is also based upon solid foundation and divine instructions. Earning one’s living through decent labor is not only a duty but a great virtue as well (Abdalati, 1981). He also asserts that as long as there is no indecency or wrong involved, Islam respects all kinds of work towards earning one’s livelihood. Islam also provides guidance to its adherents in all phases and activities of life, in matters, material as well as spiritual (Hamidullah, 1973).

A good quality of life

Generally, quality of life is either how well human needs are met (fulfilment) or the extent to which individuals or groups perceive satisfaction or dissatisfaction in various life domains (Costanza, Fisher, Ali, Beer, Bond, Boumans, Danigelis, Dickinson, Elliott, Farley, Gayer, Glenn, Hudspeth, Mahoney, McCahill, McIntosh, Reed, Rizvi, Rizzo, Simpatico & Snapp, 2007; Twenge and King, 2005). Typical quality of working life factors are physical work environment, reward systems, institutional rights and decisions, job content, internal and external social relations, and career development (Ingelgard and Norrgren, 2001). Ingelgard and Norrgren (2001) assert the notion of quality of working life has been developed to increase satisfaction and higher productivity has proved to be more complex. It can be achieved if the country especially Malaysia succeeds in fulfilling the basic needs of life such as preserving religion, improving the status of education of its people, providing a peaceful
life, ensuring the right to own property and make providence to the generation of the future (Department of Islamic Development Malaysia Putrajaya, 2005: p.33).

Cultural and moral integrity

Kohlberg (1969) stated that morality deals with the reasons, considerations, and judgments which underly an individual’s decisions about matters that are good or bad, or right or wrong (cited by Setiono, 2001). Hence, among the key civilization principles of a nation and country is the existence of cultural and moral integrity as the identity of the said nation and country. In spite of this, there are non-western moral principles that differ from the western concept with regard to the Islamic principles. Among the main differences between Islamic and western morality are the emphasis on several key factors such as timeless religious principles, the role of the law in enforcing morality, the different understanding of rights, the rejection of moral autonomy as a goal of moral education and the stress on reward in the Hereafter as a motivator of moral behaviour (Halstead, 2007). It is important that cultural and religious diversity must be protected based on a value and moral system which is strong, lofty and honourable in order to enhance the development of Malaysia (Department of Islamic Development Malaysia Putrajaya, 2005: p.39).

1.2 Non-Monetary and Monetary Rewards

Chiang and Birtch (2005) found that reward preference is tied to a reward ability to satisfy employee’s needs and fit with cultural-bound values. Financial rewards are important to most individuals and have shown a strong desire for individual achievement and for self-interest in masculine countries such as United States and most other Western countries (Hofstede 2001, 1991, 1980a, 1980b). Furthermore, Ger and Belk (1996) claim that the consumption-based orientation to ‘happiness-seeking’ that is commonly labelled materialism has generally been seen as a Western trait. Materialism now seems to have diffused to ever more of the world’s people (Ger and Belk, 1996). With the overall aim of material gain on the other hand, feminine cultures such as Malaysia which are characterized as having strong social needs, quality of life and moral integrity focus on non-financial rewards. In such cultural environments, non-monetary rewards of recognition and praise (Chiang and Birtch, 2005; Mendonça and Kanungo, 1994; Vance, McClaine, Boje, and Stage, 1992) are appreciated.

Of particular interest to the notion of non-monetary rewards is Herzberg et al. (1959)’s two factor theory of motivation. An important aspect of this theory was that monetary and other tangible rewards serve the purpose of helping to prevent job dissatisfaction. These were labeled as ‘hygiene’ factors including supervisory effectiveness, co-worker relationships, pay, fringe benefits and physical work conditions. They were less effective as other more enriching job design factors such as recognition, responsibility, achievement, advancement, feedback and the work itself (Hackman and Oldham, 1976). Several studies using Herzberg et al.’s Two-Factor Theory have been adapted to better suit the specific context studied (Lundberg et al, 2009).

As study by Islam and Ismail (2008) discovered that money is perceived a good motivator by US and Malaysia, and it is expected that promotion will receive higher priority. Indeed, promotion has been continuously pushed to higher priority over the years in US. The same case happened to Malaysia in 2004 where the job security has maintained stability in its ranking. Islam and Ismail (2008) enlighten that contrary to Malaysia, US is more concerned with job security over promotion matters. However, ‘interesting work’ has maintained middle ranking among factors in all surveys conducted in Malaysia and US. Malaysian employees are not much concerned about the appreciation of their work compared to the other factors. Conversely, the ‘full appreciation of work done’ has been favored by the US
employees (Islam and Ismail, 2008). It is observed that monetary reward plays a major role in motivating Malaysian employees compared to US employees are more preferred to appreciation and recognition. This concludes that money has been a predominantly preferred motivator amongst Malaysia employees (Islam and Ismail, 2008).

1.3 Reward Program Influences

As discussed by Gilley and Maycunich (2000), an effective development of compensation and rewards philosophy reflects the importance of change and remaining flexible in adapting to the demands and constraints of a dynamic, ever-shifting business environment. They found that pay and rewards in most organizations have not evolved to effectively compensate individuals for their increased effort, employee contribution and learning and development. Important to this study would also be the effect on employee productivity. Huang, Lu, Tang, and Huang (2004) also indicated that human resource executives have been focusing on effective ways to increase employees’ commitment and satisfaction and which will be able to reduce the cost related to recruitment and turnover. Furthermore, practicing fairness in reward as one to which employees is most sensitive is important in order to improve individual commitment and job performance (Huang et al., 2004). Therefore, a well-designed development of compensation and reward program exhibits attribute rewards which are linked to business strategy in order that employees know what is being rewarded and why rewards support the organization’s culture (Gilley & Maycunich, 2000). (Only one attribute here will be needed to be extended and put to the ‘Hadhari’ test). However, the truth about employee reward perception is more complex than the assumption that employees view each reward element in isolation from all others (Davenport & Roberts, 2005). The authors also mentioned that social scientists who studied employee attitudes have observed that employees view their reward portfolios holistically; forming generalized impressions about how much the organization values their contributions and cares about their well-being. In the Malaysian setting, this holism will, to the majority of employees following Hadhari’s principles, include moral issues and obligations.

Appelbaum and Kamal (2000) also found that there was a clear positive relation between employee loyalty/retention and compensation. Dutton (1998) noted that lack of employee recognition is cited as a major and recurring source of employee turnover (cited in Appelbaum and Kamal, 2000) and this has resulted in firms losing disenchanted innovators as well as experiencing lower levels of effort and even sabotage and espionage. However, Appelbaum and Kamal (2000) explained that employee motivation through non-monetary rewards may be accomplished by decision makers paying closer attention to the needs of their employees, in particular to relevant factors discussed before, and this may ultimately result in improved revenues through greater productivity, increased employee satisfaction or higher output, reduced employee absenteeism, lower employee turnover rates and a greater overall synergy in increasing the firm’s efficiency and bottom line.

2. Objectives

2.1 Research Objectives

The most meaningful contribution of this study is to fill the gap in Islamic management literature as the representativeness and applicability of earlier research concerning non-monetary and monetary rewards is limited. Little recent research specifically examines Islamic principles towards the area of human resource management (Aycan, Al-Hamadi, Davis, and Budhwar, 2007; Hashim, 2007; Tayeb, 1997) and distinctively focused on reward
systems. Therefore, given the above limitations, the present study of Islam Hadhari principles in relation to reward systems is potentially useful for both academicians and practitioners alike. From an academician perspective, this study is expected to enhance understanding of the role of the Islamic Hadhari’s principles towards the reward systems in the non-Western context of Malaysia, thus hopefully stimulating further research in this area. In addition, it is expected that the present study would also be of some benefit for those who teach Islamic Human Resource Management and related topics.

In the other hand, from a practical standpoint, as nowadays, Muslim employees represent a significant percentage of total workforces in Malaysia (Hashim, 2009), this study could provide practitioners, especially managers in Malaysian private organizations information on managing their employees in Islamic ways. Furthermore, this move would be also in line with the nation’s mission to implement an ‘Islamization’ process and promote Islam Hadhari in Malaysia. Hence, the following key research objectives have been developed:

1. To analyze the relationship of Islam Hadhari’s principles and on perceptions of non-monetary and monetary rewards among exempt employees in Malaysian private organizations.
2. To examine the role of perceptions of non-monetary and monetary rewards on reward programs influences (i.e. employee contribution, employee productivity, employee loyalty and employee turnover) among the exempt employees in Malaysian private organizations.
2.2 Hypothesis

The following hypotheses were developed in Figure 2:

![Diagram of PLS Model for Hypothesis Testing]

Figure 2: PLS Model for Hypothesis Testing

3. Method

3.1 Participants

The group members selected for the study were named ‘exempt’ employees (exempt from the minimum wage and overtime under Fair Labor Standard Act (FLSA). As to generate the sample frame, a detailed listing of private organizations in Malaysia was obtained from The Federation of Malaysian Manufacturers (FMM) 2003.
A questionnaire was sent out and distributed to 1000 employees working in private organizations. Overall, 329 returned surveys were returned that translated to an effective response rate of approximately 32.9 percent. The overall response rate was low but not unusual, given that Malaysian managers and executives were typically reluctant to participate in surveys (Jusoh and Pernell, 2008; Jusoh, Ibrahim and Zainuddin, 2008; Jusoh, Ibrahim and Zainuddin, 2006).

3.2 Instrument and Materials

A questionnaire developed was aimed at capturing the data and information required to establish the parameters of the model and the relationship between the independent and dependent variables.

3.3 Procedure

Structural Equation Modeling (SEM) – Partial Least Square (PLS) was used for the quantitative field study data analysis in this study. The two stages in PLS are assessment of the measurement model and assessment of the structural model. The individual item reliability, internal consistency and discriminant validity is examined in assessing the measurement model. On the other hand, the significance of the path loading is tested and the variance for each dependent construct is explained in assessing the structural model.

4. Findings and Results

Table 1: Results of Hypothesis Testing based on the Hypothesized Model

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Path</th>
<th>329 Respondents</th>
<th>Path Coeff.</th>
<th>t-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1a (+) : (MKW → PNMR)</td>
<td>0.2050</td>
<td>3.3639***</td>
<td></td>
<td></td>
</tr>
<tr>
<td>H2a (+) : (BCED → PNMR)</td>
<td>0.0900</td>
<td>1.5148</td>
<td></td>
<td></td>
</tr>
<tr>
<td>H3a (+) : (GQL → PNMR)</td>
<td>0.1820</td>
<td>2.4248**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>H4a (+) : (CMI → PNMR)</td>
<td>0.0590</td>
<td>1.1314</td>
<td></td>
<td></td>
</tr>
<tr>
<td>H1b (+) : (MKW → PMR)</td>
<td>0.0780</td>
<td>1.7555*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>H2b (+) : (BCED → PMR)</td>
<td>0.0840</td>
<td>1.8615*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>H3b (+) : (GQL → PMR)</td>
<td>0.2290</td>
<td>4.3148***</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
A balanced and comprehensive economic development construct which was derived from different dimension is considered as formative indicators in this study. The remaining constructs are therefore considered to be reflective indicators that measure the identical dimensions to reflect their corresponding latent construct.

The path coefficients and t-statistic results of the bootstrapping technique are summarized according to the moderating variable which is the organizational size in Table 1 for the large and small and medium private organizations. The researcher calculated a pooled error term t-test to determine statistical significance of the different path coefficients by size of the private organizations in Malaysia. Most loadings, composite reliabilities, and average variances extracted for each sub-sample pass the required thresholds described earlier (Table 1). For instance, the result supported this proposition of H1a. The standardized structural coefficient for the path (β) from Mastery of Knowledge (MKW) to Perception of Non-Monetary Rewards (PNMR) was 0.205 with the t-value of 3.3639 (p<0.001) (see H1a, Table 1), which indicates that Mastery of Knowledge has high positive impact on the Perception of Non-Monetary Rewards. This hypothesis was statistically significant in this study. The result supported this proposition for the Malaysian private organizations.

On the other hand, the standardized structural coefficient (β) for the path from Mastery of Knowledge (MKW) to Perception of Non-Monetary Rewards (PNMR) was 0.078 with the t-value of 1.7555 (p<0.05) (see Table 1), which indicates that Mastery of Knowledge has positive impact on the Perception Monetary Rewards. This hypothesis was also statistically significant in this study.
5. Research Implications

5.1 Theoretical Implication

Past studies tested the Herzberg’s Two-factor Theory but they did not investigate the cultural orientation that will affect the perceptions of non-monetary and monetary rewards. Researchers have examined the certain variables to test the Herzberg’s Hygiene-Motivation Theory in different environment. (Carrigan, 2010; Lundberg et al., 2009; Udechukwu, 2009; Bassett-Jones and Lloyd, 2005; Miller et al., 2005; Halepota, 2005; Ruthankoon and Ogunlana, 2003; Hendriks, 1999; Utley et al., 1997; Rainey, 1997; Lawler, 1994; Brislin et al., 2005). Adding this dimension will enhance knowledge and give a better understanding of cultural orientation and non-monetary and monetary rewards that will, in turn, affect the employees’ perceptions of reward systems in Malaysian environment.

5.2 Managerial Implication

The results of this study would be able to help organizations, which are currently practicing non-monetary and monetary reward programs or are planning to embark the knowledge of Islam Hadhari’s principles, via enhancing their understanding of Islam Hadhari’s principles towards the non-monetary and monetary reward programs, and also providing them a checklist by referring to the important variables in reward program influences. The results of this research also provide suggestions, guidelines and considerations aimed at successful implementation of non-monetary and monetary reward programs and strategies in Malaysian private organizations.

6. Discussions

Among the 16 hypotheses proposed in this study, 13 were supported, while there were no statistical evidence to infer the significance of the remaining eight hypotheses, namely, H2a, H4a, and H11. However, the research model was still considered valid. Though, it is not possible to make develop conclusions on the validity of any research model based on only one empirical study. Nevertheless, it is believed that the Reward Program Influences model developed in this study needs to be further tested in different contexts across various circumstances.

It is observed that perception of non-monetary and monetary rewards influences employee contribution (Herzberg et al., 1959; De Grip and Sieben, 2005), employee productivity (Herzberg et al., 1959; Takeuchi, 1981; Fein, 1983; Kanungo and Mendonca, 1988; Utley et al., 1997) and employee loyalty (Herzberg, et al., 1959; Hale and Bailey, 1998; LeBlanc and Mulvey, 1998; Sujansky, 2007) in Malaysian private organizations. Employers are able to motivate and engage employees with monetary rewards for performance and individuals who go above and beyond are recognized for their contributions, but the entire group is also rewarded when it meets certain targets (Zenger and Marshall, 2000) and non-monetary rewards during difficult economic times. Nevertheless, it is also discovered that perception of monetary rewards influences employee turnover (Gross and Nalbantian, 2002; Luna-Arocas and Camps, 2008; Trahant and Yearout, 2005; Lanigan, 2008). Surprisingly, it is found that non-monetary rewards are not positively associated with employee turnover; the possible explanation is perhaps employees in private organizations valued more monetary rewards rather than non-monetary rewards to fulfill their needs.
Malaysia has always placed Islam at the centre of its foreign policy (Li, 2011). Besides, Malaysian foreign policy, either under Mahathir or Badawi, would always continue to be Islam oriented, not espousing conservative views, but having a moderate and realistic base (Li, 2011). Malaysia is recognized in the Muslim world for its economic growth and social stability (Gatsiounis, 2006). Many Western countries had allowed their foreign policies to be flawed by the misinterpretation of Islam (Badawi, 2006). A balanced and comprehensive development is one of Islam Hadhari’s principles which is uniquely Malaysian. It is interesting to find out that a balanced and comprehensive economic development is delivered in the Islamic economic system in order to have significant impact on personal living and material wealth (monetary rewards) as to lead the society for the wealth and economic stability. Though, a balanced and comprehensive economic development is meant for the local context of Malaysian society, foreign private organizations may not perceive it as an initiative as linking to their non-monetary structure. The criteria of individual success are based on materialistic accomplishment in the western value system. Conversely, Islam encourages its adherents to seek holistic growth in both the physical and spiritual domain (Jafari, 1992). Jafari (1992) also asserts that spiritualism and materialistic activities are not compartmentalized as Islam urges its followers to pattern their activities after the concept of ‘ibadah’ (worship).

Perhaps, for local private organizations in Malaysia earning ‘profits’ is not only focus on monetary rewards (money). They also emphasize non-monetary rewards such as a good quality of life. This is due to Islam Hadhari’s principles which aim to promote a good quality of life for the employees in real working life in organizations to balance quality of time at work as well as with the family. Quality of work–life initiatives that are developed in response to employee surveys often result in non-monetary rewards such as increasing employee engagement, better working arrangements and conditions, and also comprehensive training programs which facilitate greater manager and employee understanding of the benefits of flexibility (Harrington and Ladge, 2009).

It is true that Malaysian government emphasized moral knowledge to educate noble values and high morale which contribute towards the high culture of its people. Basically Muslims, stress more non-monetary rewards in the Hereafter as a motivator of moral behaviour. However, there was no statistical significance found in this study for the proposed positive relationship between cultural and moral integrity and perception of non-monetary rewards. This is not in agreement with past studies such as Levine, 1998; Koys, 2001; Martinez, 2005; Lublin, 2006; Halstead, 2007; Michealson, 2008 and Malaysian prominent personalities/researchers such as Zin, 2005, Badawi, 2005; Hassan, 2004, and Bashir, 2005, among many others. The proposition was not supported across large, medium and small organization. The result also indicated there was also no positive and significant relationship between cultural and moral integrity and perception of non-monetary rewards in local and foreign private organizations, suggests the need for further research in this area.

7. Conclusion

Malaysian private organizations can gain a competitive advantage over their market rivals by aligning their compensation and performance management programs (base pay, perquisites, short-term and long-term incentives) with their business objectives. The private organizations need to design a low-risk, cost-effective rewards system that will help them remain competitive and attract skilled employees in both local and foreign organizations. Thus, Armstrong and Murlis, (2007, p.12) define total rewards is “all of the employer’s available tools that may be used to attract, retain, motivate and satisfy employees”. Considering that most of the Malaysian private organizations comprise Muslim employees as their workers; it is suggested that they should offer the Umrah or Haj package to be one of the monetary

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rewards package. In Arabic, Umrah means "to visit a populated place" (is a pilgrimage to Mecca, Saudi Arabia, performed by Muslims that can be undertaken at any time of the year). It is sometimes called the 'minor pilgrimage' or 'lesser pilgrimage', the Hajj being the 'major' pilgrimage and which is compulsory for every able-bodied Muslim who can afford it. The Umrah is not compulsory but highly recommended in Islam. This somehow will make Muslims feel recognized and definitely will boost their morale. As for non-Muslims, a good vacation package such as 'ziarah' (visit) to certain places that chosen by the organizations is equivalent to Umrah/Haj. Therefore, the 'right' total mix comprises non-monetary and monetary rewards as suggested above need to be designed and developed fit with the private organizations.

8. Limitation of Study And Future Direction

The results discussed in this study are exploratory given that the number of participants who were willing to participate in this study was relatively small. Small number of participants would raise concerns about sample bias. The small number of respondents also prohibited splitting of the sample to analyze the data along other dimensions. Bigger sample size would permit a more high level of analysis for future research.

Another limitation of this study is that data provided is only one category of employees from a specific sector. Thus, the findings cannot be generalized to other category of employees and sectors. In future research, it would be desirable to have more participants from other categories and sectors. Furthermore, those who participated in the survey were only from the exempt employees (executive levels) in the organizations, thus having more experience in the rewards practices field. This may probably restrict the generalization of the findings. The use of respondents who were in charge of the non-monetary and monetary rewards or are most relevant to the reward management area can bring in the pro-rewards bias in the research. At the same time, the uses of exempt employees (executives) in the research can also cause potential limitation of over-reporting or under-reporting of the rewards practices phenomenon as a result of their job satisfaction or personal and role characteristics (Gold et al., 2001).

Given the findings and acknowledging the limitation of present studies, several of potential future research exists. Since the study tested only reward components, perhaps in the future research, it may be worth investigating other variables such as culture, leadership style and others which are not being considered in this study.

References


HR practices and readiness for change among Malaysian SME’s employees

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Abstract

This study examines how HR practices will influence readiness for change among Malaysian SMEs’ employees. The study was a cross sectional where respondents’ perception was measured at one point in time. 175 respondents from 18 SMEs participated in Quality Management Excellence Award 2011 participated in this study. Four HR functions, namely training and development, career development, compensation and benefits and performance appraisal were tested in this study to understand employees’ readiness for change. Results indicate that three HR functions, namely training and development, compensation and benefits and performance appraisal were significant factors in influencing readiness to change. The findings were discussed and implications were also put forward.

Keywords: readiness for change, hr practices, training and development, career development, compensation and benefits, performance appraisal

1.0 Introduction

Change may be important for the SMEs if they want to sustain their business and to move forward competing in the global world. According to Kannan (2013), today’s Malaysian SMEs account for more than 90% of all the establishments in the manufacturing, services and agricultural sector; providing around 65% of total employment and by 2020, it is expected that the value added production of SMEs to be around RM120 billion or 50% of total production in the manufacturing sector. Even though SMEs play a significant role in the development of the Malaysian economy, their contribution to the national economy is still considered small. Thus, SMEs in Malaysia are urge to start making the necessary changes so that they can grow at a much faster rate and be able to compete effectively with foreign companies.

Though change is necessary for any organization, Cunningham, Woodward, Shannon, MacIntosh, Lendrum, Rosenbaum, and Brown (2002) argued that change would not take place if individual employees do not change. But, individuals change would not occur if they are not prepared and ready for it. In most cases, the issues of whether the employees are ready or not for change were often being neglected in planning and implementing organizational change. It is important for any organization to assist individual employees to work through
their fears, resistance and anxieties about change. In other words, to create change, a change agent needs to take a proactive attempt to influence the belief, attitudes and intention behaviors of change participants.

Therefore, the purpose of this paper is to report findings of a research study that explored the possible influence of HR practices such as training and development, career development, compensation and benefits and performance appraisal on employees’ readiness for change. We were particularly interested in discovering about whether employees’ readiness for change was influenced by the HR practices in the organization.

2.0 Literature Review

2.1 Readiness for change

Change refers to the process of “altering people’s actions, reactions, and interactions to move the organization’s existing state to some future desired state” (McNabb & Sepic, 1995, p.370). Though the type and process of change are important when dealing with change, readiness for change is also important factor to be considered. This is because change will involve moving from the known state to an unknown one, ending the way things are done and doing things in a new ways. Thus, a failure to assess organizational and individual readiness for change may result in managers spending greater time dealing with resistance to change. But, a higher degree of change readiness is believed to lead to better performance, both financial and operational. Susanto (2008) defined readiness as a reflection in the organizational members’ beliefs, attitudes and intentions regarding the extent to which changes are needed and the organization’s capacity to successfully make those changes. In other writing, Armenakis, Harris and Mossholder (1993) have regarded readiness for change as the cognitive precursor to the behaviors of either resistance to, or support for, a change effort.

However, Smith (2005) argued that change readiness is not automatic and cannot be assumed. As stated by Armenakis, Harris and Mossholder (1993) in their writing, the core of change readiness normally involved a transformation of individual cognition across a set of employees. Thinking along the similar line, Self (2007) believed that to create readiness for change, organization needs to provide the organizational members with five different elements. First, the change leader must justify the need to change. Second, the change leader need to ensure that the organizational members have the right knowledge, skills and abilities to implement change or are given the opportunity to develop these. Fourth, the change leader needs to provide necessary support for organizational members. Fifth, the change leader must be able to provide answers on the outcome from the implementation of change. Susanto (2008) also argued that there are seven aspects of change readiness which include perception toward change efforts, vision for change, mutual trust and respect, change initiatives, management support, acceptance and how the organization manage the change process. Since people are the one who is going to embrace or resist change, it is vital to assess individuals’ readiness perception prior to any change attempt and factors that might influence their readiness for change (Smith, 2005).

2.2 The role of HR in managing change
To accelerate readiness for change in the organization, support from the management is very important. Since people are the real source of and the vehicle for change, the role of HR in managing change has become increasingly important. As stated by Harrison (1999), HR people are more acutely aware than anyone else when change is on the way and know that few people will like it regardless of the change.

HR practices are a set of planned strategies and policies implemented by an organization to ensure an organization’s human capital efficiently and effectively to the achievement of organizational objectives (Mondy, 2011). At the organization level, HR practices have been identified as a source of business revenue (Mathis & Jackson, 2004). This is because HR practices such as compensation and benefits (offer of attractive rewards to attract and retain skilled manpower), performance management (evaluate employees’ job performance to determine their strengths and weaknesses), training and development (train potential employees to undertake higher-level tasks), and career development (enhance employees career progression) are considered to be the foundation strategies that ensure the organization has a group of talented employees that help to increase the organizational performance.

Compared to other HR practices such as selection, industrial relation, and workplace safety and health; compensation, performance management, training and development, and career development are more likely to enhance employees’ motivation, commitment and satisfaction (Comm & Mathaisel 2003; Robbins & Coulter, 2002). Compensation and benefits for example is not only influences individual’s intention to work for a particular organization, but it is also a powerful tool in motivating the individuals to work hard for getting promotions. On the other hand, performance management helps employees to determine their strengths and weaknesses, and take necessary action to improve and enhance their competencies at work. Training and development programs are necessary for employees to develop their knowledge, skills and abilities for undertaking higher-level tasks, which may be the requirement of future career positions. Meanwhile, career development is crucial to improve employees’ career performance by helping them to gain better position in the career hierarchy. Accordingly, Aggarwal, Datta and Bhargava (2007), Chen, Chang and Yeh (2004), and Sardar, Abdul Rehman, Yousaf and Aijaz (2011) also found that compensation and benefits, performance management, training and development, and career development are the most important source for an organization to generate a pool of motivated, committed and high performing employees who can significantly contribute towards organization’s competitive advantage.

In the context of SMEs, they often have greater freedom in changing their employment practices, applying new technology and being able to use HR practices as a management tool in implementing changes and in achieving improved performance in the process of economic restructuring (Chow, 2004). Therefore, in order to promote readiness for change among employees, an organization should provide the employees with the necessary skills by conducting a proper training, implement equitable compensation and benefits policies as return to employees’ contribution, provide with a clear career progression, and carry out fair performance appraisal to ensure each employee receive accurate performance feedback and rewards.

2.2.1 Training and development

Mondy (2011) defined training and development as a formal activity undertaken by an organization to help employees acquire the skills and experience needed to perform current or future jobs. It is designed to help employees contribute positively and continuously in the form of good performance by obtaining new knowledge, skills and abilities (Berge, De Verneil, Berge, Davis & Smith, 2002). In past studies, training and development have been
found to enhance competitive advantage, facilitate firm growth and improve profitability (Bartel, 1994; Knoke & Kalleberg, 1994; Fairfield-Sonn, 1987).

Since employee roles and responsibilities shift rapidly in SMEs, receiving training concerning the new role is considered vital to the success of the employees and the business (Cardon & Steven, 2004). From the employees’ perspective, training and development is an important tool for them to gain valuable support, knowledge, skills and abilities that may enhance their performance in an organization. From the discussion, we reached to a point that adequate training and development opportunities could play an important role in enhancing employees’ readiness for change, and therefore, the following hypothesis is proposed:

**H1: Training and development is positively related to readiness for change**

### 2.2.2 Career development

Career development refers to the processes and assistance provided by organizations to support and enhance employees’ career progression by helping them to gain better position in the career hierarchy (Barnett & Bradley, 2007). It encompasses the activities on how organizations structure the career progress of their employees. It can also be tied to the organization’s ability to share job information with employees, to make the necessary resources available and to support employees in developing their careers.

The key element of the concept of career development is not only individuals’ initiative in developing their career, but also organizational career development support. Without organizational career development support such as performance feedback, promotional information and opportunities, employees will face difficulty in developing their career and might fail to ascend the career ladder. Although career development is more of cooperation between employees and organization, the input of organizational career development support is crucial to effectively increase employees’ job satisfaction and commitment. Nothing can ever replace the support of the organizations in assisting employees to develop their career. To gain positive outcome for both the individual and organization, cooperation from these two parties are needed.

On the other hand, if an organization can provide employees with opportunities to learn new skills and develop their competencies, employees will reciprocate with positive behaviours towards the job (i.e. assuming new position) and organization. These actions indirectly can promote employees readiness for change when dealing with new task. Hence, it seems logical to expect that HR practices will affect employees’ readiness for change, and the following hypothesis is proposed:

**H2: Career development is positively related to readiness for change**

### 2.2.3 Compensation and benefits

Few authors have defined compensation and benefits as the cumulative financial (for examples, wages, salaries, incentives, commissions, bonuses, retirement pension plans, employer paid insurance and vacation plans) and non-financial rewards (for examples, job recognition awards and flexible work schedule) payable to employees in return for their services (Milkovich & Newman, 2005; Mondy, 2011). The financial and non-financial rewards are usually based on the value of job, level of personal contributions, efforts and performance (Milkovich & Newman, 2005). Many organizations not only uses the compensation and benefits to reward employees’ efforts, but also use it as a motivation tool to improve employees’ work attitudes (i.e. job satisfaction, commitment, engagement, organizational citizenship behaviors (OCB), and readiness for change) (Chiu, Luk & Tang,
2002; Lau & Sholihin, 2005; Mathis & Jackson, 2004; Snape & Redman, 2010). Therefore, the following hypothesis is proposed:

**H3: Compensation and benefits are positively related to readiness for change**

### 2.2.4 Performance Appraisal

According to the definition given by Mathis and Jackson (2004), performance appraisal is a process used to identify, measure, evaluate, and improve employees’ job performance. Specifically, it is a formal activity carried out by an organization to periodically review and evaluate employees’ performance (Mondy, 2011). Performance appraisal is not only a useful tool to evaluate employees’ job performance, but it can also be used to develop and motivate employees (Anthony, Kacmar & Perrewé, 2002). This is because through performance appraisal processes, employees may become aware of their performance level and realize their weaknesses through valuable feedback or guidance from top management in order to take necessary steps for improving their performance. Indirectly, it becomes an indicator on whether the employees have successfully embraced the change made. Therefore, the following hypothesis is proposed:

**H4: Performance appraisal is positively related to readiness for change**

### 3.0 Research Framework

The research framework for this study is shown in Figure 1. In this study, three independent variables namely training and development, compensation and benefits and performance appraisal were tested against readiness for change.

<table>
<thead>
<tr>
<th>Independent variables</th>
<th>Dependent variables</th>
</tr>
</thead>
<tbody>
<tr>
<td>HR Practices</td>
<td>Readiness for change</td>
</tr>
<tr>
<td>• Training and development</td>
<td></td>
</tr>
<tr>
<td>• Career development</td>
<td></td>
</tr>
<tr>
<td>• Compensation and benefits</td>
<td></td>
</tr>
<tr>
<td>• Performance appraisal</td>
<td></td>
</tr>
</tbody>
</table>

*Figure 1. Research Framework*

### 4.0 Method

#### 4.1 Participant

175 respondents from 18 SMEs participated in Quality Management Excellence Award 2011 participated in this study. Out of 175 respondents, 61.1% were female, 32% were between the aged of 30 to 34 years and 86.3% were married. Malays constitute 77.7% of the survey participants, followed by 13.1% Malaysian Chinese and 7.4% Malaysian Indians. The
majority of the participants in this survey (68.6%) had higher academic qualifications of first / professional degree. Senior management staff made up 57.1% of the total participants. The rest consisted of executive. 36.6% of the participants had served their organization between 7 to 10 years.

4.2 Measurement

Measures for readiness for change were adapted from Dunham, Grube, Gardner, Cummings and Pierce (1989) while human resource practice was adapted from Delery and Doty (1996). In this study, each of the adapted questions asked how strongly the respondents agreed or disagreed with the statements given on a five-point scale whereby, 1 = strongly disagree, and 5 = strongly agree.

5.0 Results

Table 1 presents the means, standard deviations, and Pearson correlations of variables for the 175 participants who had participated in the study. The internal consistency reliabilities (Cronbach’s Alpha) of the research measures are reported in parenthesis along the diagonal of the correlation table. As shown in Table 1, the Cronbach’s alpha for the overall HR practices items were .93. The four sub-scales of the 26 item hr practices scale (training and development, career development, compensation and benefits and performance appraisal) also have satisfactory reliability values ranging from .78 to .87.

Results from Table 1 shows that the overall HR practices were significantly positively correlated with readiness for change (r = .56, p<.05). Table 1 also revealed significant positive relationships between all the HR practices components and readiness for change, with correlation coefficients between .45 and .49. These results imply that the higher the adoption of HR practices, the higher participants’ readiness for change.

Table 1
Descriptive statistics, scale reliabilities, and correlations of variables

<table>
<thead>
<tr>
<th>Variables</th>
<th>N</th>
<th>Mean</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. HR practices - overall</td>
<td>175</td>
<td>3.74</td>
<td>.57</td>
<td>(.93)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Training and development</td>
<td>175</td>
<td>3.84</td>
<td>.72</td>
<td>.80**</td>
<td>(.82)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Career development</td>
<td>175</td>
<td>3.61</td>
<td>.76</td>
<td>.90**</td>
<td>.692**</td>
<td>(.87)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Compensation and benefits</td>
<td>175</td>
<td>3.49</td>
<td>.75</td>
<td>.78**</td>
<td>.50**</td>
<td>.60**</td>
<td>(.78)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Performance appraisal</td>
<td>175</td>
<td>3.91</td>
<td>.53</td>
<td>.856**</td>
<td>.55**</td>
<td>.68**</td>
<td>.58**</td>
<td>(.84)</td>
<td></td>
</tr>
<tr>
<td>6. Readiness for change</td>
<td>175</td>
<td>3.61</td>
<td>.33</td>
<td>.56**</td>
<td>.45**</td>
<td>.45**</td>
<td>.48**</td>
<td>.49**</td>
<td>(.88)</td>
</tr>
</tbody>
</table>
To test hypothesis 1 to 4, regression analysis was conducted. Results in Table 2 showed that 33% ($R^2 = 0.33$, $F = 20.57$ $p<0.01$) of the variance in readiness for change was significantly explained by training and development, career development, compensation and benefits and performance appraisal. In the model, only training development ($\beta = 0.20$, $p<0.05$), compensation and benefits ($\beta = 0.24$, $p<0.01$) and performance appraisal ($\beta = 0.24$, $p<0.05$) were found positively associated with readiness for change. Therefore, Hypothesis 1, 3 and 4 were supported.

Table 2
Regression results of training and development, career development, compensation and benefits and performance appraisal on readiness for change

<table>
<thead>
<tr>
<th></th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>2.30</td>
<td>.16</td>
<td>14.39</td>
<td>.00</td>
</tr>
<tr>
<td>Training and development</td>
<td>.092</td>
<td>.041</td>
<td>.200**</td>
<td>2.250</td>
</tr>
<tr>
<td>Career development</td>
<td>.001</td>
<td>.045</td>
<td>.001</td>
<td>.014</td>
</tr>
<tr>
<td>Compensation and benefits</td>
<td>.108</td>
<td>.037</td>
<td>.245*</td>
<td>2.952</td>
</tr>
<tr>
<td>Performance appraisal</td>
<td>.147</td>
<td>.056</td>
<td>.237**</td>
<td>2.605</td>
</tr>
</tbody>
</table>

**p< 0.05; *p<0.01; $R^2 = 0.33$; $F= 20.57$

6.0 Discussions

The present study was aimed at understanding the role of HR practices such as training and development, career development, compensation and benefits and performance appraisal on readiness for change. We hypothesized that the four HR practices could positively related to employees’ readiness for change. But our results suggest that increasing the opportunity for training and development, offering higher compensation and benefits and giving frequent performance feedback, led to higher readiness for change. One possibility for this result is that training may provide the employees with the information and skill needed to adapt with the changes made, while compensation and benefits act as a motivational factor towards embracing organizational change. In addition, receiving consistent and frequent performance feedback may help the employees to understand the area that needs further improvement. As argued by Smith (2005), readiness for change is not automatic and it involves beliefs and attitude. Thus, change leader need to provide with various kind of support and encouragement for the change to take place.
6.1 Research Implications

The current research findings have several implications for management of organization. The research results demonstrate that employee readiness for change may increase if the management focusing their effort on the HR practices, particularly, in training and development, compensation and benefits and performance appraisal. By providing more training opportunities, employees will gain new knowledge, and skills in preparing them to deal with a new way of doing things. Furthermore, providing the employees with a competitive compensation and benefits will indirectly motivate employees to embrace change. Finally, giving frequent feedback on the employees’ performance may help reduce the feelings of uneasiness and tension, a sense of uncertainty and confusion in the time of change process.

In summary, the prescriptions discussed are suggestive of the types of actions that managers can take, to help maximize the readiness for change among employees. It is hoped that the results from the study will encourage new thinking among the managers. The research results reported in this study suggest the need for a view of change management which includes psychological and behavioral perspective.

6.2 Limitation and Direction for Future Research

There are limitations in the design of this study that might influence the interpretations and generalizations of these findings. This study only concentrated on employees in SME that participated in the Quality Management Award 2011. Different results might be obtained if the study is conducted in other type of SMEs or other type of industries from different geographical areas. Based on the regression model, training and development, career development, compensation and benefits and performance appraisal only explains 33% of the variance in readiness for change. This indicates that there are other potential factors that might influence employees’ readiness for change like organizational support, leadership style, and individual characteristics. Hence, future research that would like to replicate the framework of this study is suggested to incorporate the mentioned factors to elicit a comprehensive understanding on what influence readiness for change.

7.0 Conclusions

The aim of this study was to investigate factors that might influence SME employees’ readiness for change. The main concern of this study is the role of HR practices in enhancing the readiness for change. The results indicate that training and development, compensation and benefits and performance appraisal did relate to readiness for change. Since the study was conducted at SME that participated in the Quality Management Award 2011, the findings must be interpreted with cautious and cannot be generalized to represent other organization. It is hoped that through the examination of HR practices in increasing readiness for change, a more complete understanding of the kind of effort needed to implement change intervention.
REFERENCE


Predicting Turnover Intention: Do Organizational Support and Organizational Commitment play a Role?

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Abstract

This paper reports research investigating factors that might influence employees’ turnover intention. The study was a cross sectional study where respondents’ perception was measured at one point in time. 105 respondents participated in this study. Two factors, namely organizational support and organizational commitment (affective commitment and continuance commitment) were tested to predict turnover intention among employees in the company. Results from the study reveal that only affective commitment has the strongest influence on turnover intention. The findings were discussed and implications were also put forward.

Keywords: Turnover intention, Organizational support, Organizational commitment, Affective commitment, Continuance commitment

1. Introduction

Employee turnover has become a serious management problem because of its financial and moral impact on the organization limited source. Today, organization had found it difficult to retain employees as a result of many baby boomers retiring from the workplace. Thus, employee turnover greatly demands management attention and do whatever they can to retain and motivate existing employees.

Employee turnover is the rotation of workers around the labor market, between firms, jobs and occupation as well as between the states of employment and unemployment. Organizations had invested a big paycheck on their employees in terms of induction and training, developing, maintaining and retaining them in their organization. Therefore, managers at all level must know how to minimize employee’s turnover. It is very important to develop a full understanding about employee turnover especially the source of what determines employee turnover, the effects and strategies that managers can put in place in order to minimize turnover.
In this globalization and high competitive world, organization must continue to develop tangible products and provide services which are based on strategies created by employees. These employees are extremely crucial to the organization since their value to the organization is essentially intangible and not easily replicated. For that reason, managers should recognize employees as major contributors to the efficient achievement of the organization’s success. Managers also should control the employee turnover for the benefit of the organization success.

Therefore, the main aim of this study is to report findings on the factors that might contribute to employee turnover intention which mainly focus on organizational support and organizational commitment.

2. Literature Review

2.1 Turnover Intention

In the scholarly literature, turnover intention has been defined in several ways but shared a common term (Cotton and Tuttle, 1986). Generally, it refers to an individual’s perceived probability of staying or leaving an employing organization. Hellman (1997) for example, defined turnover intention as the behavioral intentions illuminating an individual’s intention to leave or stay and is considered to be the primary antecedent or actual turnover behavior. In other writing, Bigliardi, Petroni and Ivo Dormio (2005) used the term intention to leave to refer to individuals’ perceived likelihood that they will be staying or leaving the employer organization.

Empirical study on turnover has shown that turnover intention is the best immediate predictor of actual turnover behavior (Griffeth, Hom & Geatner, 2000). Indeed, there is a strong and significant positive relationship between turnover intention and actual turnover (Lambert, Hogan & Barton, 2001). However, in the review of antecedents to turnover, Mor Barak, Nissly and Levin (2001) argued that many studies have used turnover intention rather than actual turnover as the work outcomes because employees typically make conscious decision before actually quitting their jobs and it is more practical to inquire from employees their intention to quit in a cross sectional study rather than actually tracking them down via a longitudinal study to see if they have left their organization. For that reasons and consistent with previous research (e.g., Lambert, Hogan & Barton, 2001; Price, 2001), turnover intention is the criterion variable in this study since it has recommended as a proxy in measuring actual turnover. Thus, turnover intention is clearly defined as employees’ behavioral intention to leave or quit their particular organization.

2.2 Organizational Support and Turnover Intention

In the past, studies have shown how organizational support influence turnover intention. Tumwesige (2010) for example found that employees who perceive lack of support from their organization will feel less committed to their organization and thus, lead to turnover intention. In a study conducted by Valentine, Grelle and Richtermeyer (2006), they found that organizations can build employees’ positive perceptions of the workplace by emphasizing
ethical practices that support the welfare of stakeholders and that increase congruence between personal and organizational values. Such perception is associated with turnover intention.

According to Allen, Shore and Griffeth (2003), perceptions of supportive HR practices (participation in decision making, growth opportunities, and fairness of rewards/recognition) were related to employee intention to leave. When employees perceived organizational HR practices as supportive, their affective attachment to the organization will increase, and thus, decrease the intention to leave the organization.

Sharing the same view, Jawahar and Hemmasi (2006) also agree that organizational support related to turnover intention. In their study, they found that perceptions of lack of organizational support for women’s advancement were related to turnover intention. Women who are aspiring to senior management positions, the extent to which the organization supports advancement will be more of a concern than the general construct of organizational support.

In other study, Ng (2009) found that the perceptions on organizational support and external prestige are important to employees’ perceptions of the quality of their exchange relationships with their organizations. The results suggest that these perceptions affect employees’ work attitudes and behaviors indirectly, through the quality of exchange relationships with their organization. Employees reciprocate the organization’s cares and recognitions by developing trust in organization and reduce their intention to leave the company.

In a study on repatriate, similar results were also found. Lazarova and Caligiuri found that repatriates who perceive higher levels of organizational support have lower intentions to leave their organization. They believed that company-wide appreciation of global experience and career planning sessions were the most important elements in an MNC’s repatriation system. The lack in the repatriation system will most likely generate unfavorable attitudes towards the company, and will ultimately, lead to turnover. Based on the discussion, the following hypothesis is proposed:

\[ H1: \text{Organizational support is negatively related to turnover intention} \]

2.3 Organizational Commitment and Turnover Intention

Past studies have shown that organizational commitment can influence turnover intention among employees in organization. For example, Blau and Boal (1989) found that employees with lower levels of job involvement and organizational commitment are in the “highest risk” category for subsequent turnover, with employees having high job involvement and low organizational commitment being next in terms of turnover risk. Pare, Tremblay and Lalonde, (2001) found that organizational commitment not only mediates but also moderates the effects of HR practices on quit intentions (Pare, Tremblay & Lalonde, 2001).

In other study, Cohen (1993) found that job withdrawal intentions are affected negatively by job satisfaction and job commitment, but positively by organizational commitment. He also found that age factor has also affected the intention to leave. For instance, they found that compared to young employees, though older employees reported low levels of organizational
commitment, they didn’t leave the organization because of structural bonds, few employment alternatives and a desire for stability.

In other study on organizational commitment, Cole and Bruch (2006) found that officers and middle-management who have affectively attached to the organization (i.e., commitment) have low interests in seeking other employment. However, commitment among lower hierarchical levels (non-management employees) did not influence workers’ desire to remain or leave the organization.

Apart from that, organizational commitment and intention to stay were significantly related to person-organization fit, and, remuneration and recognition (Chew & Chan, 2006). In terms of types of commitment, affective commitment appears to be more salient in predicting intent to turnover than continuance commitment, and, a high level of continuance commitment may help employees rationalize an emotional, affective attachment to an organization (Law, 2005). Pare and Tremblay (2004) also found that strong affective commitment motivate individuals to construe their work role as extending beyond tasks formally prescribed, which in turn encourages them to adopt extra role behaviors and negatively related to quit intentions. Result from this study also indicates that continuance commitment also associated with turnover intentions, since employees are likely to stay with their organization not only when they have an emotional attachment to their organization but also when they perceive a cost of leaving.

Perryer, Jordan, Firns and Travaglione (2010) found that employees may be less likely to leave their organization as their levels of affective commitment increase in conjunction with an increase in support provided by the organization. Similarly, Stallworth (2003) also found that affective commitment demonstrates the strongest relationship with turnover. Result from this study also indicate that affective commitment may be the best predictor of intentions to leave at lower organizational levels, while continuance commitment become increasingly important as employees move up the ladder. Thus, the following hypotheses are proposed:

**H2: Affective commitment is negatively related to turnover intention**

**H3: Continuance commitment is negatively related to turnover intention**

3. Method

3.1 Participants

105 participants (63 male, 42 female) from a manufacturing company participated in this study. The average age of respondents was 31 years old. Malays constitute 77.1% of the survey respondents, followed by 14.3% Malaysian Chinese and 8.6% Malaysian Indians. Engineer made up 40% of the total respondents. The rest consisted of administrative and other technical staff. On average, the respondents had been in their present position for almost 5 years and had served their organization for more than 3 years. The majority of the respondents in this survey (90.5%) had higher academic qualifications of either a tertiary or diploma, first or second degree.

3.2 Measurements
Turnover intention was the dependent variable and the measure was adapted from Lee (2008). The 5-item scale asked respondents about their probability of staying or leaving an employing organization. Organizational support and organizational commitment were the independent variables tested in this study. Organizational support was assessed using 10-item scale adapted from Perryer, Jordan, Firms and Travaglione (2010) where respondents were asked about their perceptions of supportive HR practices in terms of participation in decision making, growth opportunities, and fairness of rewards/ recognition. Organizational commitment was measured by two dimensions, affective commitment and continuance commitment. The 16-item scale adapted from Allen and Meyer (1990) asked respondents’ perception of emotional attachment to or identification with organization and their willingness to remain in the organization because of the investment that the employee has with “nontransferable” investments. In this study, each of the adapted questions asked how strongly the respondents agreed or disagreed with the statement given on a five-point scale whereby, 1 = strongly disagree, and 5 = strongly agree.

4. Findings

4.1 Correlation Analysis

Table 1 presents the means, standard deviations and Pearson correlations of variables for the 105 participants. The internal consistency reliabilities (Cronbach’s alpha) of the research measures are reported in parenthesis along the diagonal of the correlation tables. As shown in Table 1, the Cronbach’s alpha for organizational support was .96, and for the organizational commitment was .72. The two sub-scales of organizational commitment (affective commitment and continuance commitment) also have satisfactory reliability values of .83 and .66 respectively. The Cronbach’s alpha for turnover intention was .86.

Table 1 revealed that organizational support was significantly negatively correlated with turnover intention ($r = -.575, p<.01$). This result implies that, the more support given by the organization, the less intention to leave the organization.

Overall, organizational commitment was significantly negatively correlated with turnover intention ($r = -.619, p<.01$). Table 1 also revealed significant negative relationships between affective commitment and turnover intention ($r = -.700, p<.01$), while continuance commitment was not significantly negatively correlated to turnover intention. The results suggest that participants with higher feeling of affective commitment towards their organization have less intention to leave.

<table>
<thead>
<tr>
<th>Variables</th>
<th>N</th>
<th>Mean</th>
<th>S.D.</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Organizational support</td>
<td>105</td>
<td>3.68</td>
<td>.830</td>
<td>(.96)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Org. commitment (overall)</td>
<td>105</td>
<td>3.38</td>
<td>.430</td>
<td>.680**</td>
<td>(.72)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
4.2 Regression Analysis

To test hypotheses 1, 2 and 3, regression analysis was conducted. The result shown in Table 2 indicates that 50.5% ($R^2 = .505$, F value = 34.41 $p < .001$) of the variance in turnover intention had been significantly explained by organizational support, affective commitment and continuance commitment. However, in the model, only affective commitment factor was found negatively associated with turnover intention ($\beta = -.67$, $p<.001$). Therefore, only hypothesis 2 was supported.
### Table 2

**Regression Analysis**

<table>
<thead>
<tr>
<th></th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>6.49</td>
<td>.50</td>
<td>13.00</td>
<td>.00</td>
</tr>
<tr>
<td>Organizational support</td>
<td>-.04</td>
<td>.12</td>
<td>-.34</td>
<td>.74</td>
</tr>
<tr>
<td>Affective commitment</td>
<td>-.90</td>
<td>.15</td>
<td>-5.92</td>
<td>.00**</td>
</tr>
<tr>
<td>Continuance commitment</td>
<td>-.19</td>
<td>.12</td>
<td>-1.67</td>
<td>.10</td>
</tr>
</tbody>
</table>

**p<.001; R^2 = 0.505; F= 34.41**

### 5. Discussions

The main aim of this study was to investigate the role of organizational support and organizational commitment on turnover intention. The empirical results of this study suggest that affective commitment was negatively related to turnover intention. Though in the previous study affective commitment was found to be the best predictor of intention to leave among employees at the lower level of the organization (e.g. Stallworth, 2003), in this study affective commitment was also significant predictor of intention to leave among the engineers. This is not surprising as employees’ emotional bond to their organization has been considered to be the important determinant of dedication and loyalty regardless of level of position within the organization. Besides that, affectively committed employees are seen as having a sense of belonging and identification that increases their involvement in organization’s activities, their willingness to pursue the organization’s goals and their desire to remain with the organization.

Based on the findings, the management need to continually enhance their organizational support by allowing employees to participate in decision making, providing developmental activities, providing employees’ with fair rewards, acknowledging employees’ contribution and providing an extensive two ways communication between all level of management. By having this kind of healthy culture in the organization, employees will have more sense of belonging to the company, thus prevent them from leaving the organization.

### 5.1 Limitation of Study and Direction for Future Research

There are limitations in the design of this study that might influence the interpretations and generalizations of these findings. In understanding turnover intention, the study only tested two predictors which are organizational support and organizational commitment. Apart from that, the data was collected from one type of industry and located in a specific geographic location.

Given the findings and acknowledging the limitations of the present study, several areas of potential future research exist. Since the study only tested two variables in predicting turnover intention, perhaps in the future research, it may be worth investigating other variables such as organizational climate, leadership style, role ambiguity and role conflict that may influence the turnover intention, which are not being considered in this study. There is also a need for future research to extend the exploration on turnover intention on other kind of industry such
as in services, medical setting, academics as the data provided in this study was from one type of industry and located in a specific geographic location. While there are some limitations associated with the approach used here and given the exploratory nature of the study, the results of this research provide useful findings that should be of interest to both researchers and practitioners.

6. Conclusions

The aim of this study was to examine factors that might influence turnover intention. The results indicate that both organizational support and organizational commitment (affective commitment and continuance commitment) were related to turnover intention. However, only affective commitment was found having the strongest influence on turnover intention. Since the study was conducted at one organization only, the findings must be interpreted with cautious and cannot be generalized to represent other organization. It is hoped that through the examination of the factors that influence turnover intention, a more complete understanding of the kind of effort needed to enhance employee retention will be achieved.

REFERENCE


Pengurusan Sumber Manusia Dan Pertumbuhan Jualan Organisasi Pembuatan Di Malaysia

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Abstrak

Kajian ini bertujuan untuk meninjau sumbangan pengurusan sumber manusia (PSM) terhadap pertumbuhan jualan organisasi pembuatan Malaysia. Sejumlah 137 buah organisasi terlibat dalam kajian ini. Hasil analisis regresi berganda menunjukkan terdapatnya masalah multikekolinearan di kalangan pemboleh ubah PSM. Kaedah analisis komponen utama digunakan bagi mengatasi masalah tersebut. Model regresi linear mudah selanjutnya dibentuk bagi menganalisis sumbangan PSM terhadap pertumbuhan jualan organisasi. Hasil analisis regresi linear mudah menunjukkan model yang dibentuk mempunyai nilai F yang signifikan pada aras kebarangkalian 0.01. Selain itu, keputusan analisis regresi juga menunjukkan PSM secara kolektif dapat menyumbang 13.9% terhadap variasi dalam pertumbuhan jualan organisasi.

Kata Kunci: Pengurusan sumber manusia (PSM); pertumbuhan jualan organisasi; multikekolinearan

1. PENGENALAN

hubungan antara dua pemboleh ubah adalah perlu bagi memahami dengan lebih lanjut bagaimana amalan PSM mempengaruhi prestasi organisasi.

2. ULASAN KARYA


Sungguhpun amalan-amalan PSM yang diguna pakai berbeza-beza. Namun demikian, hasil sorotan literatur menunjukkan terdapat beberapa dimensi yang biasa digunakan sebagai aktiviti atau amalan PSM yang berkait rapat dalam meningkatkan prestasi organisasi. Antaranya seperti latihan dan pembangunan, penstafan, penilaian prestasi, peluang kerja dalaman, perkongsian maklumat, jaminan kerja dan pemberian ganjaran berasaskan prestasi. Oleh demikian, amalan PSM yang akan digunakan untuk kajian ini adalah berlandaskan amalan PSM yang berkait rapat dengan prestasi organisasi berdasarkan literatur.

3. METODOLOGI

Kajian ini berbentuk kajian lapangan dan bersifat keratan rentas. Unit analisis kajian ini adalah organisasi, dan data primer kajian diperoleh menerusi edaran borang soal selidik kepada pihak pengurusan khususnya pengurus PSM atau pengurusan atasan yang berkera.,

Populasi penyelidikan merangkumi semua organisasi pembuatan di Malaysia yang bersaiz besar dengan bilangan pekerja melebihi 150 orang, dan yang telah beroperasi sekurang-kurangnya lima tahun. Sampel sebanyak 500 buah kilang diperoleh menerusi kaedah persampelan rawak mudah berdasarkan senarai mengikut susunan abjad dalam Buku Panduan FMM 2008.

Secara amnya, alat kajian merangkumi soalan yang mengukur konstruk utama kajian, di samping soalan berkenaan maklumat umum organisasi serta responden yang menjawab soal selidik kajian. Konstruk PSM diukur melalui pengoperasian dimensi pengambilan pekerja, penilaian prestasi, latihan dan pembangunan, pemberian ganjaran, perkembangan kerjaya, perkongsian maklumat, serta jaminan pekerjaan. Skala pemeringkatan selang lima mata digunakan, iaitu “1 = sangat tidak setuju” sehingga “5 = sangat setuju”.

4. HASIL KAJIAN

Daripada 500 soal selidik yang dikirim, sebanyak 139 (27.8%) soal selidik diperoleh. Namun begitu, dua daripada soal selidik yang dibalas tidak diisi dengan lengkap dan terpaksa diketepikan. Dengan itu, hanya 137 soal selidik diguna untuk tujuan analisis dan kadar respon adalah sebanyak 27.4%. Merujuk kepada Jadual 1, majoriti organisasi iaitu 56.2% adalah jenis pemilikan tempatan. Selain itu, 59.9% organisasi beroperasi sekurang-kurangnya 20 tahun, diikuti dengan 35.0% beroperasi antara 10 hingga 20 tahun, dan hanya 5.1% sahaja yang tempoh operasinya kurang daripada 10 tahun. Bagi saiz syarikat dari segi bilangan pekerja, kebanyakan organisasi iaitu sebanyak 71.5% mempunyai jumlah pekerja antara 500 hingga 1000 orang, diikuti oleh 17.5% organisasi dengan jumlah pekerja antara 501 hingga 1000 orang.

Jadual 1: Maklumat organisasi

<table>
<thead>
<tr>
<th>Maklumat organisasi</th>
<th>Kekerapan Bilangan</th>
<th>Peratus (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jenis pemilikan (N=137)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Syarikat pemilikan tempatan</td>
<td>77</td>
<td>56.2</td>
</tr>
<tr>
<td>Syarikat pemilikan tempatan-asing</td>
<td>28</td>
<td>20.4</td>
</tr>
<tr>
<td>Syarikat pemilikan asing</td>
<td>32</td>
<td>23.4</td>
</tr>
<tr>
<td>Bilangan tahun beroperasi (N= 137)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kurang daripada 10 tahun</td>
<td>7</td>
<td>5.1</td>
</tr>
<tr>
<td>10 – 20 tahun</td>
<td>48</td>
<td>35.0</td>
</tr>
<tr>
<td>20 tahun atau lebih</td>
<td>82</td>
<td>59.9</td>
</tr>
<tr>
<td>Bilangan pekerja dalam organisasi (N=137)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>151 – 500</td>
<td>98</td>
<td>71.5</td>
</tr>
<tr>
<td>501 – 1000</td>
<td>24</td>
<td>17.5</td>
</tr>
<tr>
<td>Lebih daripada 1000</td>
<td>15</td>
<td>11.0</td>
</tr>
</tbody>
</table>

Jadual 2 pula memaparkan profil responden yang menjawab soal selidik tinjauan ini. Majoriti responden adalah dari kalangan pengurus sumber manusia (50.4%), dan diikuti oleh eksekutif sumber manusia (21.2%). Selain itu, 65.7% berkhidmat di organisasi masing-masing lebih daripada lima tahun, dengan sejumlah 91.0% memiliki pengalaman kerja lebih daripada lima tahun. Ini bererti kebanyakan responden yang menjawab soal selidik mempunyai pengalaman dalam bidang PSM.

Jadual 2: Profil responden

<table>
<thead>
<tr>
<th>Maklumat Responden</th>
<th>Kekerapan Bilangan</th>
<th>Peratus (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Bilangan kes</td>
<td></td>
</tr>
</tbody>
</table>

454
## Jawatan (N=137)

<table>
<thead>
<tr>
<th>Jawatan</th>
<th>Bilangan</th>
<th>Bilangan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pengurus Besar</td>
<td>7</td>
<td>5.1</td>
</tr>
<tr>
<td>Pengurus Sumber Manusia</td>
<td>69</td>
<td>50.4</td>
</tr>
<tr>
<td>Eksekutif Sumber Manusia</td>
<td>29</td>
<td>21.2</td>
</tr>
<tr>
<td>Pengurus Kanan</td>
<td>12</td>
<td>8.8</td>
</tr>
<tr>
<td>Penyelia</td>
<td>17</td>
<td>12.4</td>
</tr>
<tr>
<td>Lain-lain</td>
<td>3</td>
<td>2.2</td>
</tr>
</tbody>
</table>

## Bilangan tahun berkhidmat (N=134)

<table>
<thead>
<tr>
<th>Bilangan tahun berkhidmat</th>
<th>Bilangan</th>
<th>Bilangan</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 – 5 tahun</td>
<td>46</td>
<td>34.3</td>
</tr>
<tr>
<td>6 – 10 tahun</td>
<td>39</td>
<td>29.1</td>
</tr>
<tr>
<td>11 – 15 tahun</td>
<td>22</td>
<td>16.4</td>
</tr>
<tr>
<td>16 – 20 tahun</td>
<td>20</td>
<td>14.9</td>
</tr>
<tr>
<td>lebih daripada 20 tahun</td>
<td>7</td>
<td>5.2</td>
</tr>
</tbody>
</table>

## Pengalaman bekerja (N=134)

<table>
<thead>
<tr>
<th>Pengalaman bekerja</th>
<th>Bilangan</th>
<th>Bilangan</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 – 5 tahun</td>
<td>12</td>
<td>9.0</td>
</tr>
<tr>
<td>6 – 10 tahun</td>
<td>26</td>
<td>19.4</td>
</tr>
<tr>
<td>11 – 15 tahun</td>
<td>22</td>
<td>16.4</td>
</tr>
<tr>
<td>16 – 20 tahun</td>
<td>41</td>
<td>30.6</td>
</tr>
<tr>
<td>lebih daripada 20 tahun</td>
<td>33</td>
<td>24.6</td>
</tr>
</tbody>
</table>

Jadual 3 memaparkan maklumat korelasi Pearson antara pemboleh ubah kajian. Berdasarkan jadual, dapat dilihat bahawa korelasi antara setiap pemboleh ubah PSM secara majoritinya menunjukkan hubungan linear positif yang signifikan ($r > 0.5$ dan $p < 0.01$), kecuali korelasi antara pemboleh ubah jaminan pekerjaan dengan pemboleh ubah PSM yang lain menunjukkan nilai koefisien korelasi ($r$) di bawah 0.5. Selain itu, korelasi Pearson antara pemboleh ubah PSM dengan pemboleh ubah pertumbuhan jualan organisasi menunjukkan korelasi positif yang signifikan ($p < 0.01$).

### Jadual 3: Korelasi Pearson antara pemboleh ubah kajian

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Pengambilan pekerja</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 Penilaian prestasi</td>
<td>.717**</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 Pengurusan kerjaya</td>
<td>.702**</td>
<td>.733**</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 Jaminan pekerjaan</td>
<td>.396**</td>
<td>.388**</td>
<td>.422**</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 Kongsi maklumat</td>
<td>.594**</td>
<td>.581**</td>
<td>.682**</td>
<td>.368**</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6 Latihan</td>
<td>.653**</td>
<td>.642**</td>
<td>.712**</td>
<td>.433**</td>
<td>.724**</td>
<td>1.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7 Ganjaran</td>
<td>.589**</td>
<td>.631**</td>
<td>.715**</td>
<td>.534**</td>
<td>.627**</td>
<td>.668**</td>
<td>1.000</td>
<td></td>
</tr>
<tr>
<td>8 Pertumbuhan jualan organisasi</td>
<td>.325**</td>
<td>.295**</td>
<td>.246**</td>
<td>.272**</td>
<td>.222**</td>
<td>.354**</td>
<td>.238**</td>
<td>1.000</td>
</tr>
</tbody>
</table>
Nota: **korelasi adalah signifikan pada paras kebarangkalian 0.01 (1-hujung)

Keputusan analisis regresi antara pemboleh ubah PSM dengan pemboleh ubah pertumbuhan jualan organisasi sebagai pemboleh ubah bersandar ditunjukkan dalam Jadual 4. Model regresi menunjukkan statistik F yang signifikan pada paras kebarangkalian 0.01 serta koefisien penentu \( R^2 \) yang bernilai 0.188. Dengan lain kata, 18.8% varias di pertumbuhan jualan organisasi dapat diterangkan oleh pemboleh ubah PSM. Penelitian terhadap model tersebut mendapati statistik t bagi kebanyakan koefisien regresi pemboleh ubah tak bersandar (amalan PSM) adalah tidak signifikan. Didapat hanya jaminan pekerjaan dan latihan merupakan pemboleh ubah yang menunjukkan statistik t yang signifikan pada paras kebarangkalian 0.05. Sementara, statistik t bagi pemboleh ubah PSM yang lain adalah tidak signifikan.

Jadual 4: Analisis regresi berganda antara PSM dengan Pertumbuhan jualan organisasi

<table>
<thead>
<tr>
<th>Pembolehubah tak bersandar (PSM)</th>
<th>Pembolehubah bersandar (Pertumbuhan jualan organisasi)</th>
<th>Beta terpiawai</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pengambilan pekerja</td>
<td>.115</td>
<td></td>
</tr>
<tr>
<td>Penilaian prestasi</td>
<td>.099</td>
<td></td>
</tr>
<tr>
<td>Pengurusan kerjaya</td>
<td>-.082</td>
<td></td>
</tr>
<tr>
<td>Jaminan pekerja</td>
<td>.200*</td>
<td></td>
</tr>
<tr>
<td>kongsi maklumat</td>
<td>-.092</td>
<td></td>
</tr>
<tr>
<td>Latihan</td>
<td>.302*</td>
<td></td>
</tr>
<tr>
<td>Ganjaran</td>
<td>-.045</td>
<td></td>
</tr>
<tr>
<td>( R^2 )</td>
<td>.188</td>
<td></td>
</tr>
<tr>
<td>( R^2 ) terlaras</td>
<td>.143</td>
<td></td>
</tr>
<tr>
<td>Signifikan bagi F</td>
<td>.000</td>
<td></td>
</tr>
</tbody>
</table>

\* p < 0.05

Secara keseluruhan, analisis regresi berganda menunjukkan wujudnya hubungan yang signifikan antara pembolehubah bersandar dengan pembolehubah tak bersandar (amalan PSM). Namun demikian, hasil analisis menunjukkan kemungkinan wujudnya masalah multikolinearan. Ini kerana analisis regresi menunjukkan statistik F yang signifikan secara statistik, serta nilai \( R^2 \) yang munasabah, namun hanya dua koefisien regresi sahaja yang signifikan. Selain itu, terdapat koefisien regresi mempunyai tanda negatif yang bercanggah dengan yang dijangkakan, iaitu koefisien regresi bagi pengurusan kerjaya, perkongsian maklumat, serta pemberian ganjaran menunjukkan tanda negatif dalam model regresi tersebut. Dapatan ini bercanggah dengan keputusan analisis korelasi Pearson yang menunjukkan korelasi positif antara pemboleh ubah ini. Selain itu, koefisien korelasi Pearson antara pemboleh ubah PSM juga agak tinggi iaitu di antara 0.388 dan 0.733, serta signifikan secara statistik (p < 0.01). Oleh demikian, adalah wajar data ditekiti bagi mengesan kehadiran hubungan linear antara pembolehubah tak bersandar. Menurut Allison (1999), sekiranya nilai toleransi \( (tolerance) \) bagi setiap pemboleh ubah tak bersandar berada di bawah 0.40 atau nilai \( variance inflation factor \ (VIF) \) melebihi 2.50, maka sudah memadai bagi penyelidik mengesaksikan kehadiran masalah multikolinearan yang serius. Jadual 5 merupakan hasil pengesanan multikolinearan bagi pemboleh ubah PSM. Didapati kebanyakan pemboleh ubah tak bersandar PSM mempunyai nilai toleransi yang kurang daripada 0.40 dan nilai VIF yang melebihi 2.50.
Bagi menangani masalah multikekolineran di dalam kajian ini, kaedah multivariat iaitu analisis komponen utama (principal component analysis) digunakan. Kaedah ini dapat menjana model yang menunjuk kesan keseluruhan pemboleh ubah tak bersandar. Hasil analisis menunjukkan komponen utama yang pertama dapat menyumbang sebanyak 66.1% daripada jumlah varians pada set data asal.

Skor PSM yang diperoleh daripada analisis ini digunakan dalam analisis selanjutnya menerusi analisis regresi mudah. Keputusan analisis regresi antara skor PSM (secara kolektif) dengan setiap pemboleh ubah bersandar (pemboleh ubah pertumbuhan jualan organisasi) seperti yang tertera dalam Jadual 6. Hasil analisis menunjukkan statistik F bagi model regresi adalah signifikan (p < 0.01), dan PSM (secara kolektif) dapat menerangkan peratusan varians yang signifikan dalam pemboleh ubah pertumbuhan jualan organisasi ($R^2 = 0.139$). Keputusan ini mencadangkan PSM secara kolektif boleh menyumbang kepada pertumbuhan jualan organisasi.

**Jadual 5: Nilai toleransi dan VIF bagi pemboleh ubah PSM**

<table>
<thead>
<tr>
<th>Pembolehubah tak bersandar (PSM)</th>
<th>Pembolehubah bersandar (Pertumbuhan jualan organisasi)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>VIF</td>
</tr>
<tr>
<td>Pengambilan pekerja</td>
<td>2.550</td>
</tr>
<tr>
<td>Penilaian prestasi</td>
<td>2.741</td>
</tr>
<tr>
<td>Pengurusan kerjaya</td>
<td>3.390</td>
</tr>
<tr>
<td>Jaminan pekerjaan</td>
<td>1.421</td>
</tr>
<tr>
<td>Kongsi maklumat</td>
<td>1.421</td>
</tr>
<tr>
<td>Latihan</td>
<td>2.968</td>
</tr>
<tr>
<td>Ganjaran</td>
<td>2.611</td>
</tr>
</tbody>
</table>

**Jadual 6: Regresi mudah antara PSM dengan pemboleh ubah pertumbuhan jualan organisasi**

<table>
<thead>
<tr>
<th>Pembolehubah tak bersandar</th>
<th>Pembolehubah bersandar (Pertumbuhan jualan organisasi)</th>
<th>Beta terpiawai</th>
</tr>
</thead>
<tbody>
<tr>
<td>PSM$^a$</td>
<td></td>
<td>.373***</td>
</tr>
<tr>
<td>$R^2$</td>
<td></td>
<td>.139</td>
</tr>
<tr>
<td>$R^2$ terlaras</td>
<td></td>
<td>.133</td>
</tr>
<tr>
<td>Signifikikan bagi F</td>
<td></td>
<td>.000</td>
</tr>
</tbody>
</table>

Nota: $^a$ skor komponen utama yang diperoleh dari analisis komponen utama; ***p<0.001

**5. IMPLIKASI DAN CADANGAN KAJIAN**

Hasil analisis korelasi Pearson menunjukkan korelasi positif yang signifikan secara statistik antara semua amalan PSM dengan prestasi organisasi dari segi kadar pertumbuhan jualan organisasi. Selain itu, analisis regresi juga menunjukkan bahawa PSM (secara kolektif) dapat menerangkan peratusan varians yang signifikan secara statistik dalam pemboleh ubah pertumbuhan jualan organisasi. Dengan kata lain, lebih tinggi tahap amalan PSM dalam?

Penemuan kajian ini juga membekalkan bukti empirikal yang menyokong konsep sistem PSM iaitu amalan PSM harus dilaksana secara holistik. Kajian ini mendapat wujud korelasi positif yang signifikan antara amalan PSM (0.368 ≤ r ≤ 0.733), ini bererti amalan PSM saling bersandar antara satu sama lain. Keputusan ini sejajar dengan hasil penemuan beberapa penyelidik (Combs, Yong, Hall, & Ketchen, 2006; Ichniowski, Shaw, & Prennushi, 1997), yang mencadangkan amalan PSM perlu dilaksanakan secara holistik dan bukannya satu demi satu. Hasil analisis penyelidikan ini mencadangkan tujuh amalan secara bersama menyokong sistem PSM. Di samping keputusan analisis korelasi, keputusan analisis komponen utama yang dilaksanakan terhadap tujuh amalan PSM juga membekalkan bukti tambahan bagi menyokong idea tersebut.

Berdasarkan kepada penemuan penyelidikan, nyata bahawa amalan PSM yang melibatkan aspek-aspek pengambilan pekerja secara teliti, penilaian prestasi, pengurusan kerja, jaminan pekerjaan, perkongsian maklumat, pemberian latihan secara meluas kepada pekerja, dan ganjaran yang menarik boleh memanfaatkan organisasi. Ketujuh-tujuh aspek PSM adalah saling bergantungan dan perlu dilaksanakan secara serentak dengan diberikan penekanan yang sama. Pelaksanaan amalan PSM secara kolektif didapat mempunyai impak positif yang signifikan terhadap pertumbuhan jualan organisasi. Ini seterusnya dapat meningkatkan lagi daya saing sesebuah organisasi. Oleh demikian, kumpulan pengurusan dan pembuat dasar seharusnya memberi perhatian yang sesuai mengenai hubungan yang menarik kepada aspek PSM. Seperti yang disyorkan oleh sebahagian besar ilmuan bahawa aspek PSM seharusnya diberikan perhatian yang sebanding.

6. Rumusan

Secara keseluruhannya, hasil kajian menunjukkan PSM harus dilaksana secara holistik. Oleh itu, usaha perlu diambil untuk memastikan amalan PSM yang dilaksanakan di dalam organisasi difahami secara menyeluruh dan dijalankan secara meluas. Usaha ini penting bagi meningkatkan tahap amalan setiap amalan PSM, dan membolehkan organisasi meningkatkan prestasi masing-masing.

Rujukan


Prestasi Keselamatan Pekerja: Definisi, Konstruk dan Instrumen Pengukuran

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Abstrak

KATA KUNCI: Prestasi keselamatan, penyertaan keselamatan, pematuhan keselamatan, gelagat organisasi, pengurusan sumber manusia

1.1 PENGENALAN
penyelidik lepas, namun belum ada definisi yang jelas tentang konsep prestasi keselamatan. Sehubungan dengan itu, artikel ini ditulis bertujuan untuk merapatkan jurang dan seterusnya menawarkan konsep yang lebih jelas untuk kegunaan pada masa hadapan.


Peningkatan prestasi keselamatan adalah penting untuk kejayaan pengurusan kesihatan dan keselamatan di tempat kerja. Peningkatan prestasi keselamatan dalam sebahagian organisasi boleh meningkatkan rintangan atau keteguhan dan mengurangkan risiko kemalangan. Walau bagaimanapun, prestasi keselamatan yang lemah boleh meningkatkan kelemahan organisasi dan seterusnya meningkatkan risiko kemalangan (Nevhage & Lindahl, 2008). Secara umumnya, kemalangan di tempat kerja berlaku disebabkan oleh kekurangan pengetahuan atau latihan, kekurangan pengawasan, kekurangan cara-cara untuk menjalankan kerja dengan selamat atau secara alternatif, kesilapan menghakimi, kecuali, sikap acuh tak acuh atau tindakan yang melulu (Sawacha, Naoum & Fong, 1999).


2.0 Definisi Prestasi Keselamatan

Pelbagai definisi prestasi keselamatan telah dikenalkan oleh para penyelidik terdahulu. Dalam bahagian ini, penulis memberi rumusan secara ringkas tentang takrif prestasi keselamatan yang dibincangkan penyelidik-penyelidik sebelum ini. Cohen et al., (1998) menakrifkan prestasi keselamatan sebagai tanda-tanda pemuatan kepada amalan kerja yang selamat, dengan menggunakan peralatan perlindungan yang ditetapkan, menunjukkan kesedaran bahaya dengan melaporkan keadaan yang tidak selamat untuk meminta supaya usaha pembetulan dilakukan, dan melaksanakan prosedur kecemasan sekiranya peristiwa tersebut berlaku. Peningkatan prestasi keselamatan dalam organisasi boleh mengurangkan bilangan kemalangan dan ia akan meningkatkan kepuasan pekerja dan kesetiaan kepada syarikat. Oleh itu, prestasi keselamatan boleh ditakrifkan sebagai tindakan atau penilaian gelagat yang ditunjukkan oleh individu dalam hampir semua kerja-kerja bagi meningkatkan kesihatan dan keselamatan pekerja, pelanggan, orang awam, dan alam sekitar (Burke et al., 2002). Dalam erti kata lain, prestasi keselamatan adalah gelagat yang menggalakkan keselamatan dan kesejahteraan kumpulan yang berkepentingan terhadap organisasi dan persekitaran yang lebih luas dalam pelbagai persekitaran kerja (Burke et al., 2002).


merupakan gelagat yang diperlukan oleh pekerjaan bagi menggalakkan persekitaran keselamatan (Griffin & Neal, 2000).
3.0 Dimensi Prestasi Keselamatan Pekerja


Beberapa penyelidik (Griffin & Neal, 2000; Ford & Tetrick, 2011; Brondino, Silva & Pasini, 2012; Cullen, 2005; Neal et al., 2000; Neal & Griffin, 2006; Vinodkumar & Bhasi, 2010; Inness et al., 2010) telah mengukur prestasi keselamatan dengan menggunakan dua dimensi prestasi di tempat kerja yang sama iaitu pematuhan keselamatan dan penyertaan keselamatan. Mespun mereka menggunakan dimensi yang sama, berdasarkan tinjauan literatur, penulis mendapati terdapat perbezaan dalam bilangan item-item yang digunakan. Sebagai contoh, Griffin dan Neal (2000), Neal dan Griffin (2006), dan Inness et al., (2010), menggunakan 6 item untuk menilai prestasi keselamatan iaitu 3 item mengenai prestasi individu bagi pematuhan keselamatan. Manakala penyertaan keselamatan telah dinilai oleh 3 item mengenai penyertaan yang menyokong keselamatan dalam organisasi tetapi tidak semestinya melibatkan prestasi yang berkaitan dengan keselamatan.


4.0 Pengukuran Prestasi Keselamatan


Dari sudut pengukuran objektif, penggunaan kemalangan dan insiden sebagai pengukuran prestasi keselamatan yang boleh didapati di pelbagai industri seperti industri luar pesisir (Mearns et al., 2003), industri lombong bawah tanah (Paul & Maiti, 2007), industri tenaga nuklear (Lee & Harrison, 2000) dan industri pembinaan (Siu et al., 2003;2004; Mohamed,1999; Ng et al., 2005; Tam & Fung, 1998; DeArmond et al., 2011).

kemalangan dan kos pampasan cenderung untuk menjadi reaktif dan agak jarang berlaku.
Disebabkan oleh fakta bahawa faktor-faktor yang mempengaruhi prestasi keselamatan adalah kompleks, proses yang berbeza atau bahaya yang timbul dalam industri yang berbeza juga akan menyebabkan faktor berpengaruh yang berbeza pada prestasi keselamatan (Wu & Li, 2006).

5.0  Instrumen Prestasi Keselamatan


Skala Prestasi Keselamatan Umum dalam kajian Burke et al., (2002) terdiri daripada 27 item yang dibahagikan kepada empat dimensi prestasi keselamatan umum iaitu penggunaan peralatan perlindungan peribadi, terlibat dalam amalan kerja untuk mengurangkan risiko, komunikasi kesihatan dan maklumat keselamatan dan melaksanakan hak dan tanggungjawab pekerja. Dimensi penggunaan peralatan perlindungan peribadi ditakrifkan sebagai menggunakan peralatan pernafasan dan pakaian perlindungan apabila diperlukan untuk perlindungan peribadi seseorang. Dimensi terlibat dalam amalan kerja untuk mengurangkan risiko termasuklah tingkah laku yang dilakukan dengan niat untuk mengurangkan risiko bahaya kepada individu, masyarakat, dan alam sekitar. Komunikasi kesihatan dan maklumat keselamatan pula merujuk kepada komunikasi maklumat, seperti pendedahan yang berpotensi kepada kakitangan yang sesuai. Manakala melaksanakan hak dan tanggungjawab pekerja merujuk kepada hak-hak dan tanggungjawab undang-undang pekerja, seperti mengambil langkah-langkah yang sesuai jika seseorang itu dihalang daripada menjalankan hak-hak seseorang. Item-item di dalam setiap dimensi diukur pada skala satu hingga tujuh.


bersetuju dengan kenyataan-kenyataan mengenai gelagat yang berbeza. Oleh itu, responden telah diminta untuk menilai item-item pada skala 5 mata; 1 (langsung tidak), 2 (sekali-sekala), 3 (kadang-kadang), 4 (agak kerap) dan 5 (kerap). Faktor prestasi keselamatan yang pertama dikenali sebagai penyertaan keselamatan. Faktor ini terdiri daripada 9 item untuk menilai sejauh mana individu mengambil bahagian dalam aktiviti-aktiviti berkaitan keselamatan di tempat kerja. Faktor kedua iaitu pematuhan keselamatan telah dinilai dengan menggunakan 5 item untuk mengukur sejauh mana individu mematuhi peraturan dan prosedur keselamatan yang diberikan.


6.0 Kajian Berkaitan dengan Prestasi Keselamatan

Tinjauan literatur mendapati prestasi keselamatan telah dikaji dengan pelbagai pembolehubah, antaranya ialah gelagat keselamatan, ramalan keselamatan (Synder et al., 2011), kepimpinan (Kapp, 2012; Barling et al., 2002; Lu & Yang, 2010; Corcoles et al., 2012), budaya keselamatan (Singer et al., 2008; Kines et al., 2011; Arezes & Miguel, 2003), pemahaman keselamatan (Synder et al., 2011), iklim keselamatan (Singer et al., 2008; Brondino et al., 2012; Mears et al., 2003; Griffin & Neal, 2000; Kwon & Kim, 2013; Neal et al., 2000; Singer et al., 2008), kawalan keselamatan (Synder et al., 2011), komitment keselamatan (Cooper, 2006; Michael et al., 2005; Fadzli Shah, 2008), persepsi keselamatan (Kines et al., 2011), amalan pengurusan keselamatan (Vinodkumar & Bhasi, 2010; Khair et al., 2011; Muniz, Peon dan Ordas, 2009) dan pelbagai pembolehubah yang lain.


Synder et al., (2011) mengkaji hubungan antara pemahaman keselamatan, ramalan keselamatan, kawalan keselamatan, sokongan keselamatan penyelia dan prestasi keselamatan ke atas 424 pekerja di Jabatan Kemudahan universiti. Penemuan yang diperoleh mereka menunjukkan bahawa pemahaman keselamatan, ramalan keselamatan dan kawalan keselamatan adalah pembolehubah yang berkaitan tetapi berbeza. Pemahaman keselamatan memberi kesan kepada prestasi keselamatan melalui kawalan keselamatan, manakala
sokongan penyelia untuk keselamatan memberi kesan kepada prestasi keselamatan yang secara langsung dan secara tidak langsung melalui kawalan.


Beberapa kajian (Griffin & Neal, 2000; Burke et al., 2002) telah mendapat sokongan empirikal kepada hubungan hipotesis yang positif dalam kalangan jumlah latihan keselamatan, persepsi pengetahuan keselamatan, dan penilaian diri dan penyelia kepada prestasi keselamatan. Sebagai contoh, Burke et al., (2002) melaporkan bahawa pengetahuan keselamatan berkenaan dengan dimensi prestasi keselamatan (menggunakan peralatan perlindungan peribadi, terlibat dalam amalan kerja untuk mengurangkan risiko, dan komunikasi kesihatan dan keselamatan), adalah berkaitan secara positif dengan prestasi keselamatan pada setiap dimensi prestasi masing-masing.

**7.0 KESIMPULAN**

kepada gelagat yang menyokong keselamatan di tempat kerja, seperti membantu rakan-rakan dengan isu-isu yang berkaitan dengan keselamatan.

Selain itu, pematuhan keselamatan dan penyertaan keselamatan diyakini sebagai dimensi terkini yang digunakan oleh ramai penyelidik (Griffin & Neal, 2000; Ford & Tetrick, 2011; Brondino et al., 2012; Cullen, 2005; Neal, Griffin & Hart, 2000, Neal & Griffin, 2006; Vinodkumar & Bhasi, 2010; 2009, Inness et al., 2010) untuk mengukur prestasi keselamatan pekerja. Berbanding dengan instrumen pengukuran yang dibangunkan oleh penyelidik lain, skala yang dibangunkan oleh Vinodkumar dan Bhasi (2010) merupakan instrumen yang paling sesuai digunakan untuk mengukur prestasi keselamatan pekerja.

8.0 RUJUKAN


Antecedents of Employee Turnover Intention: A Proposed Theoretical Framework

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Abstract

What makes employees leave their organizations has been of interest to both researchers and managers. As turnover is costly, it is important to understand what leads to such turnover. Is it the organizational culture? Is it job satisfaction? Is it the lack of organizational commitment? Is it lack of training? Is it the employees’ perceived support of both the supervisor/manager and the organization as a whole? This concept paper sheds some light on the literature and identifies the antecedents of intention to leave. The paper proposes a theoretical framework that shows the variables that explain the phenomenon of turnover intention.

Keywords: antecedents of turnover intention, intention to leave, proposed theoretical framework

Introduction

Retention and staff turnover are issues of importance because they have an impact on an organization in several ways. The research of Ahlrichs (2000) highlights the very high and often underestimated costs of turnover of key staff for employers (also compare Roodt & Bothma, 1997). There are two kinds of costs for turnover, namely visible and invisible.

Visible turnover costs are items such as leave capitalization, recruitment costs, reference checks, security clearance, temporary worker costs, relocation costs, formal training costs and induction expenses. Invisible costs include increased HR and payroll administration, loss of productivity, transition meetings and informal training. Hidden costs such as missed deadlines, loss of organizational knowledge, lower morale due to overwork, clients’ impact and chain reaction turnover. Another turnover impact for the organization is the fact that long-tenured employees develop personal relations with customers. These relations are the foundation for a re-enforcing cycle of positive interactions between employees and customers. Staff retention therefore has a positive effect on good customer relations and ultimately profitability (Roland, Rust, Stewart & Pielack, 1996).

Demotivated remaining staff is another outcome of staff turnover. Losing good employees is also costly in terms of the impact it has on company morale. Those that remain may often feel demotivated or disheartened, resulting in a drop in productivity and job satisfaction. If staff members witness the new job opportunities being snapped up by their colleagues, they could also follow suit.

These latter expenses, although more difficult to quantify, are also costly (Hay, 2001).
This study aims at highlighting the main antecedents of turnover intention as highlighted in the literature.

**Turnover Intention**

A number of HRM practices have been suggested as potential solutions for turnover, such as investment in training, offering organizational support, adopting innovative recruitment and selection processes, offering better career opportunities (Cheng and Brown, 1998; Forrier and Sels, 2003: Hinkin and Tracey, 2000; Walsh and Taylor, 2007; Walters and Raybould, 2007) and adopting measures to increase job satisfaction and commitment (Aksu, 2004).

Labour turnover is not only a significant tangible dollar cost but also an intangible or “hidden” cost associated with loss of skills, inefficiency and replacement costs (Lashley and Chaplain, 1999). Lashley (2000) refers to lost investment in training and lost staff expertise as particular examples of turnover costs and opportunity costs. Some scholars point to more intangible transaction “costs” of labour turnover associated with organizational behaviour and related “hygiene factors” such as work reutilization, role conflict, poor job satisfaction, low morale, poor commitment, corrosive supervision/leadership and a lack of career development that impact on employee productivity, effectiveness, quality and hotel service standards (Deery and Iverson, 1994; Davidson et al., 2001a, b, c; O’Connell and Kung, 2007).

Empirical evidence has shown that lost productivity resulting from staff turnover may account for more than two-thirds of the total turnover cost (Hinkin and Tracey, 2008). As turnover increases, service quality may decline as it takes time and resources to “back fill” departing employees, especially at busy hotels (Lynn, 2002).

Turnover is costly regardless of the type of industry. For example, in the hotel industry, a reduction in employee turnover would be a significant factor in reducing costs and improving labour productivity. Yet, managing and accounting for turnover remains a vexed question for hotels as there is no single point of accountability within or between departments. There appears to be few successful strategies to achieve improved labour turnover and the hotel accountability structure remains relatively weak. The HRM budget generally covers direct costs of turnover (Davidson et al., 2006). This is most likely because the cost of staff turnover falls outside the conventional accounting practices within hotels. This practice signifies lost accountability and diminished internal organizational visibility for this cost. The lost accountability issue is exacerbated when it is recognised that the cause of the cost originates from a different accountability unit (i.e. the area of the organization where the employee works) to the unit that incurs much of the cost associated with staff turnover (HRM).

**Training**

The literature interprets a positive connection between the staff turnover rate and the scale of investment in training in two ways (Green et al., 1996). A first interpretation assumes that companies with a high turnover will invest more in training so as to replace the skills and competencies of outgoing personnel (replacement investments) and/or to increase employment loyalty in the future (retention management). A second interpretation argues that companies which train extensively thereby generate higher turnover precisely because the trained personnel leave the company for better paid jobs where they can use the skills they
have acquired. Training increases the value of the employees in question, and this increases
the likelihood of their being “poached” by rival companies. If any causal connection is found,
the direction of causality therefore remains less than certain.

Current labour economic thinking on training assumes a negative relationship between
turnover and training. It is shaped by Becker’s Human Capital Theory. Becker (1964)
supposes that the investment in training is the result of optimising decisions made by both
workers and employers. The increased skills resulting from general training enable
employees to extract higher wages from their current or future employers. Since
employers are confronted with the risk not being able to recoup this investment, they will not
be inclined to sponsor general training of their employees. Firm-specific training, on the other
hand, cannot generate an increased wage with other than the current employer. Therefore,
firms can recoup their investment in specific training and they will be willing to share some
or all of the costs of specific training. According to Becker (1964), a purely competitive
labour market will always provide the optimal level of training investment.

Organizational Commitment

Organizational commitment refers to an individual’s feelings about the organization as a
whole. It has become more important than ever in understanding employee behaviour
because it is identified as more stable and less subject to daily fluctuations than job
satisfaction (Angle and Perry, 1983; Mowday et al., 1982). Organizational commitment can
be generally defined as the relative strength of an individual’s identification with, and
involvement in, an organization (Mowday et al., 1979; Meyer et al., 2002). As an antecedent, it
is noted that committed employees are less likely to leave the organization, as well as feel the
need to go beyond normal job requirements. Committed employees also make a more
significant and personal contribution to the organization, perform better, engage in
organizational citizenship behaviours (OCBs) and are less likely to engage in unproductive or
destructive behaviours (Meyer et al., 1993, 2002). As an outcome, organizational commitment has
been found to arise from positive work experiences, job satisfaction, trust in management,
and attractive remuneration and rewards (Meyer et al., 2002).

Research in this area reports a strong relationship between organizational commitment and
turnover, specifically that higher levels of commitment result in lower levels of intention
to leave, therefore lower turnover (Allen and Meyer, 1990; Falkenburg and Schyns, 2007; Bentein
et al., 2005; Good et al., 1996; Harris and Cameron, 2005; Huselid, 1995; Rhoades and
Eisenberger, 2002). Organizational commitment is one of the predictors of turnover intention

Perceived Organizational Support

Perceived Organizational Support (POS) can be defined as the overall extent to which
employees believe that their organization values their contribution and cares about their
well-being (Eisenberger et al., 1986). The concepts of social exchange and the norm of
reciprocity are often used by researchers to describe the motivation for employees to display
positive behaviours towards their organization, such as loyalty, which are not formally
rewarded or contractually required by the organization (Rhoades and Eisenberger, 2002;
Settoon et al., 1996).

However, the relationship between POS and turnover intention appears likely to elucidate
options for managers to take positive steps to retain valued employees.

A study by Loi et al. (2006) attempted to measure the mediation of POS in the
relationship between perceived justice, predicting organizational commitment and
intention to leave, while controlling for the effects of the size of the firm and demographic variables. They found that POS mediated the relationship between organizational justice (procedural and distributive) and both organizational commitment and intention to leave. Although the link between organizational commitment (AC and CC) and turnover intention is well established, research into the relationship between POS and turnover intention has only been examined more recently (Rhoades and Eisenberger, 2002; Stinglhamber and Vandenberghe, 2003).

Eisenberger et al. (1986) propose that in order to assess the willingness of the organization to reward their efforts employees generate perceptions as to the extent to which the organization cares about their well-being and values their contribution, which they label as perceived organizational support (POS).

The provision of organizational support to an employee is likely to generate feelings of goodwill towards the organization, strengthening the bond between employer and employee, which, in turn, increases the feelings of obligation to repay the organization, through the norm of reciprocity (Eisenberger et al., 1990; Maertz et al., 2007).

Consequently, POS should be positively related to affective organizational commitment and negatively related to turnover intentions. Recent studies confirm this relationship empirically in Western settings (Wayne et al., 1997; Rhoades et al., 2001; Rhoades and Eisenberger, 2002; Maertz et al., 2007).

**Perceived Supervisor Support**

The literature suggests that employees develop general views concerning the degree to which their supervisors care about their well-being and value their contributions towards the organization, called perceived supervisor support or PSS (Maertz et al., 2007). PSS has gained increasing attention in the literature and found to be significantly related to important organizational outcomes such as employee turnover and turnover intentions (Eisenberger et al., 2002; Maertz et al., 2007).

Empirical research primarily conducted in Western settings confirms a strong positive relationship between perceived work-related support and organizational outcomes such as organizational commitment, turnover intentions and turnover behaviour (Rhoades et al., 2001; Eisenberger et al., 2002; Rhoades and Eisenberger, 2002). Existing studies overwhelmingly report a significantly positive relationship between PSS and POS (Yoon and Lim, 1999; Yoon and Thye, 2000; Rhoades et al. 2001; Eisenberger et al., 2002). However, there is controversy in the literature as to the relationship between PSS and POS.

One stream of literature suggests that PSS effects on organizational outcomes, such as affective commitment and employee turnover intentions, are fully mediated by POS (Eisenberger et al., 2002; Rhoades et al., 2001). Eisenberger et al. (2002) find that POS fully mediates the relationship between PSS and turnover. Rhoades et al. (2001) support their view, finding that the effects of PSS on affective commitment were fully mediated through PSS. Another stream of literature suggests that supervisor level constructs such as PSS might have direct as well as mediated effects on organizational outcomes such as turnover intentions (Becker, 1992; Maertz et al., 2002, 2007).

POS has been associated with a number of outcome variables, particular attention has been paid to POS in the context of employee turnover decisions. Indeed, many supportive organizational practices are specifically intended to increase the connection between employee and employer in order to reduce voluntary turnover. Participation in decision-making, fairness of rewards (Allen et al., 2003), developmental experiences and promotions (Wayne, Shore, & Liden, 1997), autonomy (Eisenberger et al., 1999), and job security
(Rhoades and Eisenberger, 2002) have all been empirically linked to POS. These actions reflect the organization’s propensity to meet employees’ socio-emotional needs (Eisenberger et al., 1986). POS assures employees that the organization stands behind them as they perform their jobs and handle stressful conditions (George, Reed, Ballard, Colin, & Fielding, 1993). In harmony with the norm of reciprocity, supported employees tend to value and respect their organization and are therefore willing to contribute to the organization’s goals.

**Network Resources on Turnover Intentions**

A growing amount of research has highlighted how the network resources inherent in webs of informal relationships between individuals (Tsang, 1998; Su and Littlefield, 2001).

The literature distinguishes between two distinct types of intra-organizational network resources: those of an instrumental and those of an expressive nature (Bozionelos, 2003, 2008; Bozionelos and Wang, 2006). Instrumental network resources have been defined supportive relationships with senior members of the organization which primarily serve to advance the career interests of the individual employee, whereas expressive network resources are seen as those relationship ties with co-workers that serve to provide psycho-social support and feedback to the individual employee (Bozionelos and Wang, 2006). Previous research stresses the importance to organizations of developing environments in which their employees are able to establish and maintain supportive relationships with other members of the organization (Ensher et al., 2001; Chiaburu and Harrison, 2008; Self et al., 2005).

Organizations are increasingly developing collegial support schemes within the workplace to allow individuals to develop their intra-organizational network resources (Raabe and Beehr, 2003). Such schemes contribute to the development of group interdependence and harmony within the organization, which should theoretically result in better organizational outcomes. On the basis of the existing literature we might expect that the greater the network resources possessed by an individual employee the more they should feel supported by other members of the organization (Ensher et al., 2001; Chiaburu and Harrison, 2008; Bozionelos, 2008; Self et al., 2005). This will increase POS to the extent that this treatment is attributable to the organization. In turn POS should reduce turnover intentions through higher levels of affective commitment towards the organization Newman et al., (2012).

**Corporate Climate**

Recent research (Schyns et al., 2009; Rashid et al., 2009; Khan et al., 2007; Furnham, 1991) confirmed that discouraging organizational climate negatively affects job satisfaction level which in turn may accelerate employee turnover.

Moran and Volkwein (1992, p. 20), for example, defined corporate climate as:

A relatively enduring characteristic of an organization which distinguishes it from other organizations and; (a) embodies members’ collective perceptions about their organization with respect to such dimensions as autonomy, cohesiveness, support, recognition, innovation, and fairness; b) is produced by members interaction; (c) serves as a basis for interpreting the situation; (d) reflects the prevalent norms, values, and attitudes of organizations cultures; and (e) acts as a source of influence for shaping behaviour.

Lambert et al. (2001) reported five factors of work environment, namely: role conflict, task variety, financial rewards, relations with co-workers and autonomy/participants. Moreover, Downey et al. (1975) identified six components of organizational climate: decision making, warmth, risk, openness, reward, structure. Altman (2000, p. 15) suggested that corporate
climate characteristics can be classified into the following areas: “[…] job, Role, Leaders, Organization and Workgroup”.

Employees are more likely to leave if they perceive a lack of clear direction on the part of management. It would appear that companies are less adept at marketing themselves to their employees than they are at selling the company to other stakeholders (Hay, 2002).

Stone et al. concluded that there is a relationship between organizational climate and intention to leave. Thatcher et al. (2003) focused on the effect of organizational climate on the turnover intention in an information technology firm. They reported a strong relationship between both of them.

Employee benefit management

Prior studies investigated how family-friendly practices and work-life balance practices were related to employee retention (Grover and Crooker 1995) and reported that childbirth and child-rearing leaves with the promise of full-time re-employment and disseminating information about local childcare services promoted retention. Many intermediary factors, e.g. job satisfaction, organizational commitment, motivation, trust (in the organization), and other job attitude factors, have been adopted with proven effects. In examining the relationship between employee benefit programs and retention, another model was examined in regard to the effect of monetary worth (an objective factor) of employee stock options programs and the feeling of participating in company management through this (a subjective factor), which may lead to withdrawal cognition and actual spontaneous resignation by way of multi-step awareness, i.e. satisfaction with the system, overall job satisfaction, and organizational commitment (Buchko 1993). In short, this model makes it clear that both the objective and subjective factors are related to retention, and that job satisfaction is important as an intermediary factor.

Job Satisfaction

As in much career research, career satisfaction and career success are interchangeably used in this study. Career success is defined as positive psychological or work-related outcomes or achievements that a person accumulates as a result of work experiences (Judge et al., 1995). Models of career success have included a number of demographic, human capital, and motivational variables related to career success (Judge and Bretz, 1994; Judge et al., 1995). In the past, much research on careers has viewed the individual as being passive and influenced by situational factors (Bell and Staw, 1989). Career/job satisfaction is a significant predictor of employee turnover (Egan et al., 2004; Wright and Bonett, 2007). Whereas, employees are most likely to turnover when both their psychological well-being and their job satisfaction are low (Wright and Bonett, 2007), satisfaction with meaningful work and promotion opportunities were significant predictors of turnover intention (Wright and Bonett, 1992).

Research results have shown job dissatisfaction to be associated with negative behavioural outcomes such as absenteeism, workplace accidents, and labour turnover (Griffith, Horn, & Gaertner, 2000; Hellman, 1997; Hellriegel & Slocum, 2004; Newstrom, 2006; Sousa-Poza & Sousa-Poza, 2007). Currall et al., (2005) found pay satisfaction to be positively related to performance and negatively related to employee turnover intentions. Similarly, the results of another study by Davis (2006) also showed general job satisfaction to be strongly and negatively related to turnover intentions (r = -.69). Job satisfaction has been shown to be the main predictor of turnover intention (Larrabee, et al., 2003; Parry, 2008).
Figure 1: Theoretical Framework of the Study

- Corporate Culture / Corporate Climate
- Training
- Organizational Justice
- Career opportunities
- Perceived Support
  - Organizational (POS)
  - Supervisor (PSS)
- Job Satisfaction
- Trust in Management
- Remuneration and Rewards
- Organizational Commitment (Affective, Normative,
- Intention to Leave
- Control Variables
  - Age
  - Location of the Job
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ENTREPRENEURSHIP
Repayment Performance in Microfinance Programs: An Individual Lending Approach

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Abstract

This paper analyzes the repayment performance in microfinance programs in Malaysia that apply individual lending approach. The research framework of this study is built by four factors namely individual/borrower factors, firm/business factors, loan factors and institutional/lender factors as independent variables and repayment performance either paid on time, delinquent and default as dependent variables. The study used a mixed-method combining between quantitative and qualitative data through questionnaire survey, in-depth interviews, published and unpublished reports. The data of this study is gathered from 401 respondents in Peninsular Malaysia through multistage random sampling. The data is analysed by descriptive analysis and multinomial logit model. Meanwhile, for qualitative data, a total of 21 respondents (7 respondents who paid on time, 7 respondents who delinquent and 7 respondents who default) were selected randomly and structured interviews with 6 MFI’s State Managers. The results show that in terms of borrower characteristics, only micro entrepreneur’s religious education level is statistically significant in the relationship between delinquent and good borrowers and between default and good borrowers. Whereas, in firm/business characteristics, the result shows that distance, business formality and total sales are statistically significant. The finding shows that total loan received, loan type and repayment schedule are the loan characteristics that affect micro entrepreneur’s loan repayment. In terms of institutional/lender characteristics, the finding shows that loan monitoring is statistically significant in the relationship between delinquent and good borrowers. This study contributes significantly to the knowledge of microfinance program at large, wherein it explains the factors affecting repayment performance and repayment performance plays an important role to ensure that MFIs can continue providing microfinance to the micro entrepreneurs without depending on subsidies.

KEYWORDS: Repayment Performance, Individual Lending, Microfinance, Malaysia

1. Introduction

Microfinance has been recognized as an essential socio-economic and financial mechanism for poverty alleviation, promoting entrepreneurial development and increasing the profile of disadvantaged people in numerous countries throughout the world (Hossain et al., 2012). Microfinance serves to promote rural livelihoods and urban poor by the creation of entrepreneurship opportunities that encourage the elimination of unemployment by creating potential business based on their interest and skill. Microfinance targets to poor people because these people usually lack of collateral, no
steady employment and verifiable credit history, which therefore, cannot even meet the most minimal qualifications to gain access to normal banking. Besides, it can avoid poor people lend with illegal banking such as moneylender or loan shark that charge unreasonable interest rate.

However repayment problem that because of adverse selection and moral hazard has become an obstacle to the Micro Finance Institutions (MFIs) especially that offer microfinance based on individual lending approach to maintain their funds. This is because most of the MFIs are Non-Governmental Organisations (NGOs) that received funds from donors and government and they are not profit-oriented organisation. In Malaysia, repayment problem faced by many semi-formal financial institutions that offer credit to micro enterprises and Small Medium Enterprises (SMEs) is on the high side (Starbiz, 2 June 2010). For example, in 2008, the Non-Performing Loans (NPLs) for TEKUN Nasional are 29 percent, SME Bank is 8 percent, Suruhanjaya Koperasi Malaysia (SKM) is 13.8 percent and Permodalan Nasional Berhad (PNB) is 11 percent (Utusan Malaysia, 16 December 2008). While, the NPLs for Perbadanan Usahawan Nasional Berhad (PUNB) is 30 percent for Retail PROSPER Scheme and 20 percent for Graduate PROSPER Scheme and PKS Scheme (Berita Harian, 16 February 2009). Until 2012, the NPLs for TEKUN Nasional is still high which is 20 percent (TEKUN Nasional, 2012).

Therefore this paper tries to analyze the repayment performance in microfinance programs in Malaysia that apply individual lending approach. This paper is divided into five sections where section one is the introduction followed by literature review in section two. Section three discusses the methodology used and section four explains the result and discussion. While the last chapter is conclusion and research recommendations.

2. Literature Review

The concept of microfinance has been existed in the early 1700s initiated by Jonathan Swift in Ireland. The organization provides small loans to rural poor with no collateral known as Irish Loan Fund System. The principal purpose was making small loans with interest for short periods (CGAP, 2006). In 1864, the concept of credit union was developed by Friedrich Wilhelm Raiffeisen in Germany to assist the rural population break out of their dependence on moneylenders. The focus of this institution was mostly on savings mobilization in rural areas in an attempt to help poor farmers how to save. The benchmark model for many microcredit programs in the world is Grameen Bank in Bangladesh that was established in 1983 by Mohammad Yunus, a Professor at Chittagong University (Hossain, 1988; Yunus, 1999).

Majority of the literature on repayment performance of MFIs focused on group-based lending or group liability because group based lending is synonym with microfinance activities such as Ghatak and Guinnane (1999), Godquin (2004), Sharma and Zeller (1997), Zeller, (1998), Besley and Coates (1995), and Silwal (2003). Much theorizing has been done to show the advantages of group loan in minimizing the default rate compared to an individual loan (Ghatak, 2000; Ghatak & Guinnane, 1999; Besley & Coate, 1995; Maata, 2004). Much of the studies emphasized the role of joint liability in group lending, such as peer selection (Ghatak, 1999), peer monitoring (Stiglitz, 1990; Varian, 1990; Banerjee et al., 1994), and peer enforcement (Besley & Coates, 1995). It proved that through group lending, it could mitigate moral hazard, adverse selection and information asymmetries faced by the MFIs. Microfinance programs that used peer selection, peer monitoring, dynamic incentives, regular repayment schedules, and social collateral help maintain high repayment rates (Silwal, 2003; Tesfaye, 2009).

However, not all MFIs offer microfinance based on group lending because of many reasons such as the borrowers need larger loans, have difficulty to find group members and difficulty to attend weekly meeting. The literature on repayment performance in individual lending approach is very sparse and limited mainly to microfinance experience in low-income countries (Suraya Hanim Mokhtar, 2011; Derban et al., 2005; Silwal, 2003). Many researchers have emphasized the importance of loan repayment performance such as Sangoro et al., (2012), Stearns (1995) and Hulme and Mosley (1996).
Examining repayment performance is important because if borrowers do not repay, then there may not be sufficient funds to ensure that the liquidity position of the MFI is maintained. When there is a loss in the bank liquidity due to high levels of non-repayment, the cyclical flow of funds between the MFI and the borrowers will be interrupted.

There are various factors including individual/borrower characteristics, borrower’s firm characteristics, MFI characteristics and loan characteristics that will affect the willingness and the ability of borrowers to repay their loans. On the other hand, the borrowers may not able to repay their loans due to factors beyond their control such as flood, earthquake and economic recession. The borrowers may default when the return of their business is too small or when the return is just enough to cover the scheduled payment and they decide not to pay their loans by choice (strategic default).

Before the lender grant credit to the borrower, he must predict the probability of the borrower to repay the loan and usually financial institutions use credit scoring model to characterize the repayment behavior of borrowers (Frydman et al., 1985; Boyes et al., 1989; Turvey, 1991). However, the credit scoring used in financial institution is not relevant for most borrowers in MFIs because their business is small and involved in informal activities and some businesses are just start their operation, so the financial information of the business is unavailable. Therefore, MFIs need to construct a relevant probability model mainly rely on the data that observable and can be estimated by loan officer.

3. Methodology

The study applies mixed methodology by combining between quantitative data and qualitative data through questionnaire survey, in-depth interviews with selected MFI’s state managers and borrowers. According to Creswell (2002), the mixed methods design can be used to generalize findings to a population and develop detailed views of the meaning of a phenomenon or concept for individuals. Mixed methods research is a combination of quantitative and qualitative approaches in many phases in the research process. As a method, it focuses on collecting, analyzing, and mixing both quantitative and qualitative data in a single study for better understanding of research problems. Some researchers also called mixed methods as triangulation methods (Bryman, 2004; Denzin & Lincoln, 2000; Morse, 1991). However, the quantitative methodology is the main study and the qualitative methodology as explanatory or supporting method.

For questionnaire survey, a total of 401 respondents were selected randomly based on multi stage random sampling from all states in Peninsular Malaysia. The study uses descriptive analysis and multinomial logit analysis to analyse the data. For analysis purpose, the borrowers are classified into three groups as good borrowers who repaid on time, delinquent borrowers who repaid three months from the due date and default borrowers who did not repay in full after six months from the due date. The data is based on their credit status on sampling date. The general approach is intended to explain why a particular population group falls under the three credit repayment categories. Based on past literature, the variables which may significantly affect repayment performance on the basis of the study are determined quantitatively in the model implicitly specified as follows:–

Repayment Performance = f (individual/borrower characteristics, firm/business characteristics, loan characteristics, institutional/lender characteristics)

Or,

Y = f( AGE, SEX, EDU, RELEDU, BUSEXP, MNTHINC, BUSSTAT, LIFEBUSS, DISTNC, BUSSEC, AREALOPT, BUSFOM, FIRMPFT, AMNTLOAN, LOANTYP, PYMTPER, PYMTSCHD, LOANMON, TRANCOST)

Where,
Y = repayment performance with values reflecting the repayment status of the borrowers either 1 (paid on time), 2 (delinquency) and 3 (default).

<table>
<thead>
<tr>
<th>Variable</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Age</strong></td>
<td>Age of the respondent in years</td>
</tr>
<tr>
<td><strong>Sex</strong></td>
<td>0 if male and 1 if female</td>
</tr>
<tr>
<td><strong>Education Level</strong></td>
<td>0 if respondent has attend secondary and below and 1 if respondent has professional certificate and above</td>
</tr>
<tr>
<td><strong>Religious Education Level</strong></td>
<td>A vector of dummy variables indicating religious education level between borrowers where [dummy 1 = 1 if none and 0 if otherwise, dummy 2 = 1 if respondent attend primary level only and 0 if otherwise and, dummy 3 = 1 if respondent attend until secondary level and 0 if otherwise.]</td>
</tr>
<tr>
<td><strong>Business Experience</strong></td>
<td>Respondent business experience (in years)</td>
</tr>
<tr>
<td><strong>Monthly Income</strong></td>
<td>Total household income per month (in RM)</td>
</tr>
<tr>
<td><strong>Business Status</strong></td>
<td>0 if permanent and 1 if temporary</td>
</tr>
<tr>
<td><strong>Distance from Lender Office</strong></td>
<td>Number of years</td>
</tr>
<tr>
<td><strong>Business Sector</strong></td>
<td>A vector of dummy variables indicating business sector of the borrowers where [dummy 1 = 1 if services and 0 if otherwise, dummy 2 = 1 if manufacturing and 0 if otherwise and dummy 3 = 1 if agriculture and 0 if otherwise.]</td>
</tr>
<tr>
<td><strong>Area of Operation</strong></td>
<td>0 if rural areas and 1 if urban areas</td>
</tr>
<tr>
<td><strong>Business Formality</strong></td>
<td>0 if registered with SSM and 1 if not</td>
</tr>
<tr>
<td><strong>Firm’s profit</strong></td>
<td>Total sales per month (in RM)</td>
</tr>
<tr>
<td><strong>Amount of Loan</strong></td>
<td>Total amount received (RM)</td>
</tr>
<tr>
<td><strong>Loan Type</strong></td>
<td>A vector of dummy variables indicating loan type between borrowers where [dummy 1 = 1 if first loan and 0 if otherwise, dummy 2 = 1 if second time loan and 0 if otherwise, dummy 3 = 1 if third time loan and 0 if otherwise, dummy 4 = 1 if fourth time loan and 0 if otherwise and, dummy 5 = 1 if fifth time loan and 0 if otherwise.]</td>
</tr>
<tr>
<td><strong>Repayment Period</strong></td>
<td>Repayment period in years</td>
</tr>
<tr>
<td><strong>Repayment Schedule</strong></td>
<td>A vector of dummy variables indicating repayment schedule between borrowers where [dummy 1 = 1 if weekly and 0 if otherwise, dummy 2 = 1 if bi-weekly and 0 if otherwise and dummy 3 = 1 if monthly and 0 if otherwise]</td>
</tr>
<tr>
<td><strong>Loan Monitoring</strong></td>
<td>number of times borrowers were visited by loan officer in a month.</td>
</tr>
<tr>
<td><strong>Transaction Cost</strong></td>
<td>1 if loan processed and disbursed in time and 0 if otherwise.</td>
</tr>
</tbody>
</table>
To support the data from questionnaire survey, informal interviews with 21 selected borrowers and structured interview with 6 MFI’s State Managers were conducted to identify the factors that affect borrower’s repayment performance.

4. Result and Discussion

The aim of descriptive statistics is to summarize large quantities of data by a few numbers and, to highlight the most important numerical features of the data (Antonius, 2003). Based on descriptive analysis, the results show that the mean age of respondents is 42 and most of the respondents are married. 229 respondents are female, and the rests are males who contribute 172 from total respondents. In terms of education level, majority of respondents just finish their secondary school and below. Average of respondents has nine-year business experience and the average of total household income per month is RM4, 149 (USD1,484). In terms of business location, majority of respondents operate their business in rural areas where most of them involved in services and retail activities such as retail shop, hawker stalls, salon and restaurant. Based on 401 respondents, 208 (51.9%) respondents are categorised as good borrowers, while 123 (30.7%) respondents are delinquent and 70 (17.5%) respondents are default borrowers.

In terms of factors affecting repayment performance, table 4.1 has shown the multinomial logit estimation model of loan repayment performance. A positive coefficient indicates that an increase in the independent variable score will result in an increase probability of being in the delinquent and default category than that of being in the paid on time category. On the other hand, a negative coefficient indicates that an increase in the independent variable score will result in a decreased probability of being in the delinquent and default category (Pallant, 2011; Hair et al., 2010). In terms of relationship between delinquent borrower with good borrower, table 4.1 has shown that gender, business experience, education level, distance, total loan and transaction cost have positive coefficient while, age, religious education level, total income, business sector, business status, year of establishment, business area, register with SSM, total sales, loan type, repayment schedule, repayment period and loan monitoring have negative coefficient in relationship between delinquent borrowers and good borrowers. However, only religious education level, distance, register with SSM, total sales, repayment schedule and loan monitoring are statistically significant with a significant level 90 percent and 95 percent (p ≤ 0.05 or p ≤ 0.1).

While, in terms of relationship between default borrower with good borrower, the findings has shown that gender, age, business sector, year of establishment, distance, business area, total loan, repayment schedule, repayment period, monthly installment and loan monitoring have positive coefficient while, business experience, education level, religious education level, total income, business status, register with SSM, total sales, loan type and transaction cost have negative coefficient. However, only religious education level, distance, total sales, total loan and loan type are statistically significant with a significant level at 1 percent (p ≤ 0.01), 5 percent (p ≤ 0.05) and 10 percent (p ≤ 0.1).
Table 4.1
Multinomial Logit Estimation Model of Loan Repayment Performance

<table>
<thead>
<tr>
<th>Variables</th>
<th>Delinquent</th>
<th></th>
<th></th>
<th>Default</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Coefficient</td>
<td>Z</td>
<td>p-value</td>
<td>Coefficient</td>
<td>Z</td>
<td>p-value</td>
</tr>
<tr>
<td>Gender</td>
<td>0.351567</td>
<td>1.404</td>
<td>0.1604</td>
<td>0.153033</td>
<td>0.4668</td>
<td>0.6406</td>
</tr>
<tr>
<td>Age</td>
<td>-0.018921</td>
<td>-1.197</td>
<td>0.2311</td>
<td>0.008383</td>
<td>0.4307</td>
<td>0.6667</td>
</tr>
<tr>
<td>Business Experience</td>
<td>0.010103</td>
<td>0.3749</td>
<td>0.7077</td>
<td>-0.013039</td>
<td>-0.3787</td>
<td>0.7049</td>
</tr>
<tr>
<td>Education Level</td>
<td>0.131965</td>
<td>0.3865</td>
<td>0.6991</td>
<td>-0.137517</td>
<td>-0.2627</td>
<td>0.7928</td>
</tr>
<tr>
<td>Religious Education Level</td>
<td>-0.401959</td>
<td>-1.867</td>
<td>-0.721468</td>
<td>0.0083***</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Income</td>
<td>-0.000030</td>
<td>-0.9512</td>
<td>0.3415</td>
<td>-0.000146</td>
<td>-1.547</td>
<td>0.1218</td>
</tr>
<tr>
<td>Business Sector</td>
<td>-0.138629</td>
<td>-0.5111</td>
<td>0.6093</td>
<td>0.041813</td>
<td>0.1253</td>
<td>0.9003</td>
</tr>
<tr>
<td>Business Status</td>
<td>-0.043884</td>
<td>-0.1161</td>
<td>0.9076</td>
<td>-0.079565</td>
<td>-0.1702</td>
<td>0.8649</td>
</tr>
<tr>
<td>Year of Establishment</td>
<td>-0.000971</td>
<td>-0.03528</td>
<td>0.9719</td>
<td>0.040552</td>
<td>1.192</td>
<td>0.2331</td>
</tr>
<tr>
<td>Distance</td>
<td>0.027291</td>
<td>2.05</td>
<td>0.0404**</td>
<td>0.063982</td>
<td>3.698</td>
<td>0.0002***</td>
</tr>
<tr>
<td>Business Area</td>
<td>-0.022344</td>
<td>-0.07892</td>
<td>0.9371</td>
<td>0.474397</td>
<td>1.225</td>
<td>0.2206</td>
</tr>
<tr>
<td>Register SSM</td>
<td>-1.250172</td>
<td>-2.229</td>
<td>0.0258**</td>
<td>-0.612843</td>
<td>-1.074</td>
<td>0.2827</td>
</tr>
<tr>
<td>Total Sales</td>
<td>-0.000122</td>
<td>-1.906</td>
<td>0.0566*</td>
<td>-0.000646</td>
<td>-3.230</td>
<td>0.0012***</td>
</tr>
<tr>
<td>Total Loan</td>
<td>0.000034</td>
<td>1.255</td>
<td>0.2093</td>
<td>0.000055</td>
<td>1.791</td>
<td>0.0733*</td>
</tr>
<tr>
<td>Loan Type</td>
<td>-0.037775</td>
<td>-0.222</td>
<td>0.8243</td>
<td>-0.495149</td>
<td>-2.032</td>
<td>0.0421**</td>
</tr>
<tr>
<td>Repayment Schedule</td>
<td>-0.352202</td>
<td>-1.794</td>
<td>0.0728*</td>
<td>0.087092</td>
<td>0.345</td>
<td>0.7301</td>
</tr>
<tr>
<td>Repayment Period</td>
<td>-0.010031</td>
<td>-0.07494</td>
<td>0.9403</td>
<td>0.146832</td>
<td>0.8263</td>
<td>0.4086</td>
</tr>
<tr>
<td>Monthly Installment</td>
<td>-0.000397</td>
<td>-0.4738</td>
<td>0.6356</td>
<td>0.000898</td>
<td>0.8842</td>
<td>0.3766</td>
</tr>
<tr>
<td>Loan Monitoring</td>
<td>-0.248618</td>
<td>-2.033</td>
<td>0.0420**</td>
<td>0.202647</td>
<td>1.294</td>
<td>0.1958</td>
</tr>
<tr>
<td>Transaction Cost</td>
<td>0.120762</td>
<td>0.4755</td>
<td>0.6344</td>
<td>-0.025788</td>
<td>-0.0725</td>
<td>0.9422</td>
</tr>
</tbody>
</table>

Reference category = Paid on-time
*** Significant @ 1% level, ** significant @ 5% level, * significant @ 10% level
Number of cases 'correctly predicted' = 235 (58.6%)
Likelihood ratio test: Chi-square(40) = 111.727 [0.0000]

Based on the findings above, the result shows that only borrower’s religious education level is statistically significant at p ≤ 0.1 level for the relationship between delinquent borrower and good borrower and highly significant at p ≤ 0.01 in the relationship between default borrower and good borrower. The result has shown that the higher religious education level of the borrowers, the higher probability of the borrowers to repay their loan on time. In Islam, responsible to pay debt is highly important where even the borrowers were dead, they still have to pay their debt or their soul will be hanging. The result has shown that borrowers who believe in Islam is more responsible to payback their loans even they are in difficult time because they know the consequence of not paying the loans. Such actions could be faith-related and it has been argued that borrowers may be more likely to repay their loans because their religious values dictate the fulfillment of their contracts or repayment of debts (Khan & Thaut, 2010). The result is parallel with the result from interviews with respondents where majority of the good borrowers repay their loans because they know the consequences of not payback the debt in Islam.

In terms of firm characteristics factor that affect loan repayment performance, the result has revealed that distance, register with SSM and total sales are statistically significant. The result has shown that distance to the lender office may influence borrower’s repayment status where the farther the borrower’s business to the lender office, the higher probability of borrowers to delinquent and default. The result is statistically significant at p ≤ 0.1 level in the relationship between delinquent borrower
and good borrower and highly statistically significant at $p \leq 0.01$ in the relationship between default borrower and good borrower. The result is in line with other previous studies (Oke et al., 2007; Onyenucheya & Ukoha, 2007; Bhatt & Tang, 2002; Arene, 1992) who found that an increase in distance between borrower’s business premise and lender office will reduce repayment rate.

The formality of the business is another factor that influences borrower repayment status where the finding has shown that businesses who registered with Company Commission of Malaysia (Suruhanjaya Syarikat Malaysia (SSM)) are more likely to repay the loan on time compared with businesses that did not registered with SSM. A higher degree of business formality demonstrated a better repayment rate (Pisani & Yoskowitz, 2004). The result also shows that total sales is an important factor in determining borrower’s loan repayment performance where the finding has revealed a strong effect at $p \leq 0.01$ in the relationship between default borrower and good borrower and at $p \leq 0.1$ in the relationship between delinquent borrower and good borrower. The result shows that borrowers who get higher total sales per month are more creditworthy than borrowers who get less total sales per month. The result is parallel with the result found by Nannyonga (2000); Onyenucheya & Ukoha (2007); Oke et al., (2007); Von Pischke (1991) who found that borrowers who get higher profit, have higher chance of repaying their loans compared to borrowers who declare less profit.

The finding has shown that total loan received, loan type and repayment schedule are the loan characteristics factor that statistically significant at $p \leq 0.1$ and $p \leq 0.01$ level. The result shows a strong effect at $p \leq 0.01$ in the relationship between default borrower and good borrower where the bigger total loan received by the borrowers, the higher probability of the borrowers to default. When the borrowers received more loans, there is the tendency that the excess loan may be diverted to other unproductive, non for business uses such as for personal use, children’s school fees and pay other debt (Norell, 2001). Even the Grameen Bank clients used their loans for many different purposes such as food consumption, health, and education (Collins et al., 2009). Based on the interview with respondents, six of them admit that they use some of the loan given for other things such as to renovate house, children education and to buy things such as hand phone.

Besides, the result has revealed that loan type (dynamic incentive) is statistically significant at $p \leq 0.1$ level in the relationship between default borrower and good borrower where the increasing number of time the borrowers received loan from the same MFI, the higher probability of the borrowers to pay on time. Dynamic incentives consist of a threat and an opportunity which is the threat of being cut off from future loans and the opportunity of borrowing larger amounts in the future (Berglind & Karimi, 2007).

The finding also shows a negative effect between delinquent borrowers and good borrowers in terms of repayment schedule where the repayment schedule is statistically significant at $p \leq 0.1$ level. The result shows that the monthly type of repayment schedule is more likely to be a good borrower than a delinquent borrower. The result is contradict with previous study such as Guttmann (2007) who found that weekly repayment basis is more suitable because it can identified defaulters early and can be pushed by the bank officer to “keep step” in their loan repayment. However, Field & Pande (2008) found that no significant effect of type of repayment schedule either weekly or monthly on client delinquency and default. They suggest a more flexible schedule to the clients because it can reduce transaction costs.

In terms of institutional factors that affect loan repayment performance, the findings has shown that loan monitoring is statistically significant at $p \leq 0.05$ level in the relationship between delinquent borrowers and good borrowers. The result shows that the more frequent the MFIS officers visit borrowers’ business premise, the higher probability of the borrowers to pay on time. The result is parallel with previous studies such as Deininger and Liu (2009); Papias and Ganesan (2009) and Olomola (2000) which found that loan monitoring is an important factor in increasing loan repayment rate among borrowers.

5. Conclusion and Recommendation
The importance of microfinance facilities to the development of micro entrepreneurs in the world have been proven that microfinance can help micro entrepreneurs to get credit to finance their business activities or to get capital to set up the business. This is because majority of them are denied from commercial banking credit because lack of collateral as needed by the banks. However, giving credit to the micro entrepreneurs is high risk because of limited financial capabilities and the business has not been stable. Therefore, to help MFIs especially that using individual-lending approach to mitigate adverse selection and moral hazard problems and to determine factors affecting micro entrepreneur’s loan repayment, the study suggests imposing maximum current loan instalment per monthly income like practiced by commercial banks where the current instalment not more than two third of the monthly income. Besides, the MFIs should matching the repayment schedule and the expecting of receiving income such as agriculture borrower that usually receive income after harvesting time, the repayment is based on harvest time not based on regular repayment period.

The MFIs can also differentiate between applying loan for start up the business and for working capital purpose because normally who apply for start up the business are new entrepreneurs and have less experience in business. They not only need credit but more than credit such as business training like how to promote their product, prepare financial statement and the presentable of the product. Therefore, it is suggested to provide related training skills to the new entrepreneurs to enhance their business skills. Moreover, the lower the number of months the business operated, the higher the risk for the business to survive because businesses are more likely to fail within the first year of operation.

While to increase the loan repayment, it is proposed to MFIs to increase the monitoring system by introducing peer monitoring like imposed in the group lending approach. This can be applied through Entrepreneur Club where success borrowers can monitor new or problem borrowers to manage and to solve their business problems like mentor mentee program. Besides that, this can reduce the operational cost of MFIs in monitoring their clients. In addition to the dynamic incentive where on time borrowers and borrowers who finish repay their loan will be offered for bigger loan, the MFIs can also give rebate to those who succeed paying their instalment on time or make full repayment early. This can encourage the borrowers to repay on time and to make full repayment early when they have extra income. Besides that, this can eliminate borrower’s perception towards microfinance loans where microfinance loans is not important and can delay the payment.

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Concept of Entrepreneurial Success among Women Entrepreneur in Malaysia.

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Abstract

Nowadays, it seems like women’s involvement in entrepreneurship is not as active as they could be since people know little on women entrepreneur compared to men entrepreneur. Many studies are focusing more on men entrepreneur rather than women entrepreneur. Intensive researches on women entrepreneur especially in entrepreneurial success are needed as guidance in helping them to become a successful entrepreneur. Therefore, this research is carried out to identify the factors that might influence women entrepreneur to become successful. Several definitions from previous research will identified to well understand the meaning of entrepreneurial success. Besides, in this paper also, the author will recognize the most suitable dimension to measure the success among women entrepreneurs. Thus, in future it will help to avoid more failure among them since this research has been determine the characteristics and factors needed to be a successful women entrepreneurs.

Keywords: Entrepreneurial Success, Women Entrepreneurs.

1. Introduction

Entrepreneurship has been encouraged by government policy since it is very important and considered as crucial for employment innovation as well as for the economic growth (Hadjimanolis and Poutzioris, 2011). Hisrich (2000) has defined entrepreneurship as creation of new values by entrepreneurs that devotion of their time and effort, assuming the accompany financial, psychic, social rises, getting the resulting rewards in monetary independence and personal satisfaction. Both men and women can be successful entrepreneur since they own similarities of motivation, the way they see the reasons of success is in the same way as well as both face a lot of same challenges and secure finding from the same type of sources (Lai, Nathan, Tan & Chan, 2010). Over the past several decades, the number of women as business owners has increased significantly (Reaves, 2008).

Either men or women, both have an equal chance to contribute in country’s economic through involvement as an entrepreneur. According to Stevenson (1989), businesswomen can be defined as one who pursues a management opportunity without regard to current available resources. However, it seems like women’s involvement in entrepreneurship is not as active as they could be since people know little on women entrepreneur compared to men entrepreneur (Syed.S.S., Mohd, F.J. & Nor, A.O., 2010). Even though women faced various obstacles, limitations and roadblocks, they are still been recognized by society as one of the major contributions for the country’s economy. According to Centre for Women’s Business (2003), women entrepreneur in US are recognized as main contributor to their economic growth. Besides, the increasing numbers of women entrepreneur also lead to the increase of entrepreneurial activity at country level. In addition, entrepreneurs create a lot of job opportunities as well as wealth in both develop and developed economies (Peng, 2001). The numbers of entrepreneurs are believed to increase yearly in worldwide. In conjunction, women entrepreneurship in Malaysia has increased in last three decades due to emphasis on industrialization and growing interest in privatization, self employment and business oriented employment women entrepreneurship in Malaysia has increased in last three decades due to emphasis on industrialization and growing
interest in privatization, self employment and business oriented employment (Teoh and Chong, 2007). Lai, Nathan, Tan & Chan (2010) claimed that women nowadays have an equal opportunity as men in entrepreneurship field but some still think that it is an odd when women operated in business and act as a leader in organization. That is one of the barriers for the involvement of women in entrepreneurship. However, according to Department Statistics Malaysia 2005, the involvement of women in business is very low as compared to male. The gap between male and female entrepreneurs is approximately 44% to 47% (Department of Statistic, 2009).

In Malaysia, women said to play an important role in economic development as well as stabilize the economy during the recession period (Syed et al., 2010). According to Department of Statistic (2009), among 2.2 million numbers of entrepreneurs in 2008, only 13.1% are women entrepreneurs. Therefore, appropriate action should be considered to increase the numbers of women entrepreneurs in Malaysia and make them in line with men entrepreneurs for development of the national economic. Syed et al. (2010) claimed that research on entrepreneur are focus more on men entrepreneur compared to women entrepreneur. Therefore, this study intent to increase more research on women entrepreneur especially in entrepreneurial success area.

2. Definition

Entrepreneurial success has been discussed in previous literature in several terms such as business success, venture performance etc. Parasuraman et.al (1996) mentioned that studies on success outcomes mostly refer to the firms’ level than individual level. However, Zhang and Bruning (2011) cited Hambrick and Mason (1984) explained, upper echelon theory mentioned the organization level actually is a reflection and extension of its owner. Therefore, this study are focusing on measuring success in individual level by assuming that successful entrepreneurs will indirectly reflect the success of their business. The easiest way of defining entrepreneurial success is through tangible elements such as profitability, sustainability, personal wealth creation, revenue or a firm’s growth and turnover (Perren, 1999). Successful entrepreneurs have the ability to create a strategic position by managing their resource to meet and satisfy the expectations of stakeholder (Thompson, 2004). Masuo et al.,(2001) defined success in terms of economic and financial measurement which includes return on assets, sales, profits employees and survival rates while non financial measure include customer satisfaction, personal development and personal achievement. Similarly, Buttner and Moore (1997) in their research support that business success usually measured from economic perspective such as growth in sales or employees and/or by increase in profits. Since most study are focusing on economic or financial perspective in measuring the success, they might not view many women own business as successful due to their small in size and slower in growth (Syed et al. 2010).

Paige and Litrell (2002) define success by intrinsic criteria which refers to freedom and independence, controlling a person’s own future as well as being own boss while the extrinsic outcomes refers to increased in personal income, financial returns and wealth. On the other hand, Dafina (2008) stated that successful business is venture that has been operating for at least three years. However, Reaves (2008) stated that business survival appropriate to measure those who involve for five years because nearly half of all new business starts-up only survive during first four years. It supports by Vesper (1990) who reveals that about 10% of business survive after three years of operations. Similarly, Nietman et al.(2004) defined successful woman entrepreneur as having business for longer than two years, having a staff more than five but less than thirty as well as making profit and expanding in terms of infrastructure and growth.

Simpson, Tuck, & Bellamy (2004) in their study define success in the simplest way which is equivalent to continued business operations while the opposite, failure, means going out of business. They also revealed that most literature mention all entrepreneurs have their own perceptions of what success means to them such as they can regard themselves as successful, although, looking from outside and measuring with traditional financial meters, their firms have attained different levels of success. The successfulness of entrepreneurs can be due to many factors but they themselves is the most determinants of their business success (Olakitan and Ayobami, 2011). Generally viability and
longevity use in order to reflect the business success (Rogoff, Lee and Suh (2004). Fenwick and Huttons (2000) in their study found that women described success in terms of children, satisfaction in works, reputation, ability to choose daily activity, their contribution to the community and their overall perceived quality of life. According to Cooper, Woo & Dunkelberg (1988) cited by Siti Nor Wardatulainai (2011), success refers to those entrepreneurs who were involved in a founding team, who had education and relevant experience, who had owned previous businesses, who started businesses similar to those they had left, who came from large firms, as well as those who had more initial capital.

Business success refer to economic or financial measures which comprise of return on assets, sales, profits, employees and survival rates. While non financial measures refer to customer satisfaction, personal development and personal achievement (Ostgaard and Birley, 1996). Business success for women business owners may be viewed as one’s ability to achieve a necessary balance between all parts of their lives (Knotts et al (2004); cited by Reaves (2008).) However, Man, Lau, & Chan (2002) in their research refer success in terms of competitiveness to analyze these early years of the life of the business. Besides, the predictor for venture success can be a combination between experience and environmental awareness which refers to personal characteristics (Olakitan & Ayobami, 2011).Lai et al. (2010) cited Hornaday and Bunker (1970) mentioned that successful entrepreneurs viewed highly on the need for achievement, self reliance, being competitive, self initiative, self confidence, being versatile, perseverance, resilient, being innovative and maintaining a good physical health.

In previous research done by Syed et al. (2011) in their study has identified the success factors of women entrepreneurs in Southern Region of Malaysia whereby they found that family support, social ties and internal motivation are the significant elements affecting success among women entrepreneur. In addition, in terms of face of challenge there are several factors that contribute to the success of female entrepreneur such as self confident personalities, willingness to take risk, past working experience and innovative ideas (Lai et al., 2010). Without profit, business cannot run for long period whereby some writers feel that it is not profit alone that determines success (Olsen, 2002). Cooper & Artz (1995) suggest that performance can be measured by owner’s satisfaction, whereby it refers to owner's readiness to invest their additional time and money in the business. While for this study, the reseachewrb will adopt definition that has been given by Seligman & Csikszentmihalyi (2000) who mentioned that entrepreneurial success refers to any positive outcome of human strengths and virtues whereby the positive outcomes among those women entrepreneurs refers to their achievement in non-financial aspects such as satisfaction among themselves and towards their stakeholders.

The following table is summarizing on the definition of entrepreneurial success from previous research:

<table>
<thead>
<tr>
<th>Author (s)</th>
<th>Entrepreneurial Success</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Ostgaard and Birley, 1996).</td>
<td>Business success can be defined in terms of economic or financial measures which comprise return on assets, sales, profits, employees and survival rates as well as non financial measures, such as customer satisfaction, personal development and personal achievement</td>
</tr>
<tr>
<td>Romano (1994)</td>
<td>Women define success as having control over their own destinies, building ongoing relationships with clients and doing something fulfilling.</td>
</tr>
<tr>
<td>Fenwick and Huttons (2000)</td>
<td>Women described success in terms of children, satisfaction in</td>
</tr>
</tbody>
</table>
works, reputation, ability to choose daily activity, their contribution to the community and their overall perceived quality of life.

**Seligman & Csikszentmihalyi (2000)**

Entrepreneurial success as any positive outcome of human strengths and virtues.

**Masuo et al., (2001)**

Defined success in terms of economic and financial measurement which includes return on assets, sales, profits, employees and survival rates while non-financial measure include customer satisfaction, personal development and personal achievement.

**Paige and Litrell (2002)**

Define success by intrinsic criteria which refers to freedom and independence, controlling a person’s own future as well as being own boss while the extrinsic outcomes refers to increased in personal income, financial returns and wealth.

**Nieman et al. (2003)**

Successful woman entrepreneur are those having business for longer than two years, having a staff more than five but less than thirty as well as making profit and expanding in terms of infrastructure and growth.

### 3. Dimension

Success in entrepreneurial business is multidimensional including survival of the firm, business performance, personal satisfaction, economic indicators of progress, reward attainment, and also life satisfaction (Owens, 2003). Walker and Brown (2008) mentioned the most appropriate measurement for entrepreneurial success is by economic, performance related outcomes. Baum, Locke and Smith (2001) in their research choose venture growth as their measurement for performance as they stated that previous research stated growth as the indicator for the venture success. They had measured their venture growth among CEO which acts as their respondents, in terms of financial perspective which include average annual percent sales growth, average annual percent employment growth and average annual percent profit growth. In other research conducted by Murphy, Trailer and Hill (1996), they suggested eight various success dimensions of economic performance which consist of efficiency, growth, profit, size, liquidity, success or failure, market share and leverage.

On the other hand, satisfaction is also needed as a fundamental measurement for individual entrepreneur’s perception of success (Hisrich, 2000). According to Hisrich (2000), the entrepreneurial success has been found to have two different dimension which are economic success and the entrepreneur’s satisfaction. There are four separate measures that used for these dimension which are sales growth, employment growth and income for economic success while non-economic success includes measurement from personal satisfaction. Similarly, Powell and Eddleston (2013) in their study measured entrepreneurial success in terms of economic performance and entrepreneurs satisfaction. The economic measurement includes business performance that was originally developed by Gupta and Govindarajan (1984) and growth in employment need respondents state the percentage of growth in employment over the past three years. While the non-economic measurements include satisfactions with status and satisfaction with employee relationships which adapted from Powell and Eddleston (2008). Lau et al. (2007) has conducted a research to conceptualized, operationalized and validate entrepreneurial career success from Chinese perspective. The study has conceptualized entrepreneurial success into objective, which is observable, and subjective which refers to individual’s appraisal of career experiences. In this study, entrepreneurial career success consists of six dimension; Social reputation, social recognition, social status, perceived financial attainment, career satisfaction, perceived career achievement and one observable variables; actual financial attainment.

Weinberger (2009) measures of entrepreneurial success from nine statement whereby three statements related to sales growth, net profit and personal net worth while another five three
statements relating to personal happiness, independence, ownership satisfaction, personal gratification and attainment of personal goals. Similarly, another research done by Ramana, Raman and Aryasri (2009) used financial and non-financial parameters in order to measure entrepreneurial success. This study targeted 200 starts-up firms in SME industry with the age of firm between five to 20 years. The financial parameters that used in this study are growth in total sales and growth in total employment while non financial measures includes support receive by entrepreneurs, work experience of the entrepreneur and involvement of the entrepreneur. Karpak and Topcu (2010) stated that longevity is often used to indicate success for a firm, and thus is also a measure of entrepreneurial success.

Although non financial measurement for success has been labeled as subjective, personnally defined as well as hard to measure, yet, it is easier to understand and act as a benchmark for the future (Walker & Brown, 2004). Heslin (2005) highlighted that subjective career success is most commonly operationalised as either job or career satisfaction. It was supported by Judge et al. (1999) that pointed out as individuals who are dissatisfied with many aspects of their jobs are unlikely to consider their careers to be successful, thus, job satisfaction is the most relevant aspect of subjective career success. Similarly, Johnson (2010) mentioned that another way of measuring success is through the evaluation of satisfaction of people in the venture. He suggested that, measuring entrepreneurial success in one way which refers to entrepreneur’s satisfaction is to see to what extend the entrepreneur has satisfied and meet the demands and need of their stakeholder such as investors, customers, suppliers etc. Walker and Brown (2004) conducted a survey of 290 small business owners and found that most of them are motivated on the basis of non-financial success measures. Their findings revealed that non-financial are more important to judge business success although both financial and non-financial measures are used in their study. By comparing with wealth creation they found that personal satisfaction and achievement, pride in the job and a flexible lifestyle are generally valued higher.

Parasuraman et al., (1996) in their research has examined entrepreneurial success by career satisfaction which said that career satisfaction reflecting entrepreneur’s personal satisfaction with various aspects of career progress and success. Rothermund (2004) in his research also has measured entrepreneurial success by subjective measurement of career satisfaction which adapted from (Parasuraman, Greenhaus and Granrose, 1992) whereby the respondent was asked to indicate how satisfied they were concerning their income, their progress made towards their overall career goals, their.

In conclusion, this study will adapt the dimension that used by Lau et al., (2007). Objective financial measurements for small ventures in some cases are not publicly available and it is impossible to check the inaccuracy of any reported financial performance figures (Haber and Reichel, 2005). Thus, to avoid any biasness or inaccuracy in measuring the success, only non-financial measurement will be judged among those women entrepreneur that include:

**Social recognition:**
Lau et al. (2007) define it as positive outcomes based on social appraisals in terms of acceptance by others.

**Social status:**
The positive outcomes that based on social appraisals in terms of hierarchy in society (Lau et al., 2007)

**Social reputation:**
Lau et al. (2007) refers social reputation as positive outcome that based on social appraisals in terms of prestige in society

**Perceived career achievement:**
The positive outcomes based on personal appraisals in terms of career attainment (Lau et al., 2007)

**Perceived financial achievement:**
The positive outcomes based on personal appraisal in terms of financial attainment (Lau et al., 2007)

**Career satisfaction:**
The positive outcomes based on psychological well being (Lau et al., 2007)
4. Conclusion

In conclusion, women entrepreneurship is getting widely discussed among researchers which focus in various areas and issues. Their involvement in this area also are increased worldwide as well as their contribution to the family, community and the country are been recognized. In addition, the involvement of women in entrepreneurship area as well may contribute to socio economic in Malaysia whereby it reduce the unemployment rate among women as well as it may balance and overcome the gender issue in this area. Last but not least, this study will help to determine the characteristics that needed by women to become a successful entrepreneurs. Thus, in future it will help to avoid more failure among them.

Reference:


Department Statistic Malaysia (2009). Siaran Khas Penyiasatan Tenaga Buruh Usahawan si Malaysia. Retrieved from


The Effect of Entrepreneurial Orientation and Brand Orientation on SME Internationalization and Performance: A Conceptual Framework

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SWSB Dassanayaka
Universiti Utara Malaysia

DM Mudaige
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ABSTRACT

This paper presents a framework for determining the relationships between entrepreneurial orientation and brand orientation on internationalization and performance of SMEs with the moderating effect of industry context and organizational learning. In review of the current literature, it was found that the complex investigation of SME performance involving the above variables has not been studied. Few and fragmentary studies have been conducted involving the variables yet they do not warrant us a broader generalization. Brand orientation has not been studied in association of SME internationalization so far. Studies involving entrepreneurial orientation and SME internationalization have been confronted with mixed results indicating the presence of a moderator/s in the relationship. Industry context is hypothesized as the as the moderator in this framework. The mixed results of internationalization and performance can be attributed to the fact that the moderating effect of organizational learning has been ignored. According to gradualist theories, firm internationalization is based on “experimental knowledge”. Hence the ability of the organization to learn moderates the success of international endeavor. Furthermore previous researchers have concentrated on entrepreneur orientation of founder or top managers as a predictor of internationalization. This framework identifies the middle managers’ perception of the internal environment for corporate entrepreneurship as an important predictor of performance especially in collectivist countries. This framework also proposes to extend the study to test non-financial aspects of firm performance as a result of internationalization which has gained surprisingly little attention. Therefore to fill this research gap in research literature, a conceptual framework and hypotheses are developed.

Keywords – Entrepreneurship orientation, Brand orientation, Corporate entrepreneurship, SME, Organizational learning

1. Introduction

This conceptual paper presents a new framework for analyzing internationalization of SMEs. The research investigates the impact of Entrepreneurial Orientation (EO) of the owner, middle managers’ perception of the internal environment for corporate entrepreneurship and brand orientation on SME internationalization and subsequent performance. This paper critically reviews the existing literature, identifies a research gap, build the framework and hypotheses and suggest survey instruments and research design. This framework extends the past research by introducing new variables and moderators in SME context and by looking at the firm performance in multi-dimensional perspective. Due to severe lack of research literature on SME internationalization in developing counties this research is proposed to be carried out in a developing country in South Asian region. It can also be conducted as a comparative study to give a better insight.

SMEs make up over 90 per cent of businesses worldwide and account for between 50 to 60 per cent of employment (UNIDO report, 2002). The technical definition of SME varies from country to country in
the Asia-Pacific region but is usually based on employment, assets, or a combination of the two (Kumar, 2012). In fact, lack of empirical studies in developing countries during the last two decades places the applicability of the findings of internationalization studies to these countries in question (Zafarullah et al., 1998). In addition to its economic contribution, SMEs play a key role in social development. Reduction of poverty through more equal distribution of wealth, employment of woman, social stability through reduction in unemployment, use of domestic resources thereby creating a chain of new ventures are important social contributions of a well developed SME component of a country. The importance of this sector in terms of employing working-age population should be a motive for the government to create a favorable environment that may facilitate the internationalization process for enterprises (Paunovi & Prebe, 2010). It can be used to gain broad economic and social restructuring in which under-developed areas get the benefit of development. It can also be used to sectorial restructure of the goods and services which is a dire need of many South Asian countries with the stagnation of the industry structure with low value added products.

There is an argument among the researchers that empirical findings of SME research on internationalization reveal that they are not fully understandable by gradualist models, network models or any other theoretical framework (Schulz, Borghoff, & Kraus, 2009). Research frameworks developed are still to identify broadly generalizable predictors and moderators of SME internationalization and performance. Too small sample sizes, lack of and difficulties in obtaining accurate data, research focus on specific industries, lack of empirical data on developing countries, contradicting results all further enhance the issues and non compatibility of past research. Unfortunately, many of the developing countries have not strengthened their SMEs to get into the fray and therefore lagging behind in value additions to the economy yet. SMEs in South Asia have shown some unusual characteristics. SMEs in informal sector report low productivity and income (Dassanayaka, 2008). Heavy and stagnant concentration of SMEs in certain provinces/urban areas (e.g. Western and Central Provinces of Sri Lanka house over 70 per cent of all medium scale industries (Dept of statistics, 1997)) and the concentration of SMEs on industry categories (non-diversified) are also common. SMEs are struggling with cheap imports from other countries and demand the government to tighten regulations ostensibly to protect from high cost arising out of lack of efficiency and proper management (Dassanayaka, 2008). Very small number of SMEs in South Asia have entered the international market and sustained the presence. The markets of concentration have remained same irrespective of many initiatives to find new markets such as trade agreements, bilateral agreements etc.

2. Underpinning theories

Johanson and Vahlne (1977) explained that firms internationalize according to a chain of establishment which became popular as the Uppsala model of internationalization (UM). Firms are assumed to enter markets with least psychic distance and gradually with experience seek to enter markets of greater psychic distance. Accordingly present business activities are the sources of experience that propels the firm in the establishment chain. Innovation model of internationalization (IM) is another gradualist school of thought explanation of internationalization attributed to work of mainly, Cauvisgil (1980) and Reid (1981). Cauvisgil (1980) and Reid (1981) consider the progress to the next stage as an innovation. Here the concentration is on stage approach not on learning as the UM. Both UM and IM are behavior related models that highlight the lack of experience and uncertainty as main reasons of existence of gradual pattern (Anderson, 1993). In a modification to the original argument Johanson and Vahlne (1990) introduced network factors in to the model. The company has to be analyzed considering that it is part of a broader network.

Entrepreneurship and internationalization were studied together by researchers in an endeavor to understand the phenomenon of International New Ventures (INV). Through the Born Global (Knight and Cavusgil, 1996) and International Entrepreneurship (McDougall and Oviatt, 2000) theories the link between entrepreneurship and internationalization was further stressed and challenged the gradualist model and domestic orientation of SMEs. All these terms basically used to denote firms which are oriented toward international business right from the inception. Oviatt and McDougall
(1994, p. 49) defined an INV as “A business organization that, from inception, seeks to derive significant competitive advantage from the use of resources and the sale of outputs in multiple countries.” However the operationalization of this broad definition depends on the researcher (Aspelund, Madsen, & Moen, 2007). Some researchers find that INV internationalize incrementally (Coviello & McAuley, 1999) while others argue of an accelerated incremental pattern. Many others including Oviatt and McDougall (1994) believe INVs as totally unexplainable from gradualist theories. McDougall and Oviatt (2000) defined international entrepreneurship as “combination of innovative, proactive and risk-seeking behavior that crosses national borders and is intended to create value in organizations”. In this definition the stress on new ventures was dropped in contrast to their definition on INV in 1994. Therefore international entrepreneurship could origin in any firm irrespective of size and nature of the organization. It implies that EO is a valid measure of international entrepreneurship.

3. Literature Review

3.1 Organizational Performance

SME performance is the main indicator of its ability to survive and sustain in business. There are abundant of cases to prove that one of the most elusive relationships in international business in on firm internationalization and performance. The same scenario can be seen in both large companies and SMEs. For example, Bloodgood et al. (1996) found a positive and marginally significant relationship between international entrepreneurship and firm income. Whereas Zahra and Garvis (2000) found no relationship between international entrepreneurship and ROA , McDougall and Oviatt (1996) reported a non-significant relationship.

The definition of organization performance or effectiveness still eludes a widely accepted agreement. This little consistancy creates issues in comparing the results of research studies. Škrinjar, Bosilj-Vukšić, and Indihar-Štemberger (2008) defines organizational performance as “comprising of the actual output or results of an organization as measured against its intended outputs: goals and objectives”. Moullin (2003) defines an organization’s performance as “how well the organization is managed” and “the value the organization delivers for customers and other stakeholders.” For the purpose of this study, the definition of Moullin (2003) is selected due to multi-faceted perspective of performance of the definition and that is one aspect that this resarch envisages to contribute to the body of knowledge. Different approaches to organizational performance measurement are available to contain different stakeholder perspectives. Balanced Scorecard method (Kaplan & Norton, 1992) and performance prism (Tangem, 2004) are some recent and widely used measures in past literature as explained in Škrinjar et al. (2008). Few decades back, the prime attention was on financial indicators such as profit and Return on Investment (ROI) (Gomes, Yasin, & Lisboa, 2004). However focus on financial returns gives the management a short-term performance perspective. Studies by Ittner et al (1997), Ittner & Larcker (1998a) and Banker et al. (2000) cited in Hofmann (n.d.) revealed that non-financial performance indicators are “leading indicators” which act as future signs. Despite being criticized by a number of scholars (i.e Aaker & Jacobson, 1987) the accounting related financial measures are widely used. Hudson, Smart, & Bourne (2001) identified six dimensions of organization performance which include financial, operations (three dimensions), external perspective and organization culture.
Table 1

**Critical Dimensions of Performance**

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Measurements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality</td>
<td>Product, Delivery reliability, Waste, Dependability, Innovation</td>
</tr>
<tr>
<td>Time</td>
<td>Lead time, Delivery reliability, Process time, Productivity,</td>
</tr>
<tr>
<td>Flexibility</td>
<td>Manufacturing effectiveness, Resource utilization, Volume flexibility, New</td>
</tr>
<tr>
<td></td>
<td>product introduction,</td>
</tr>
<tr>
<td>Finance</td>
<td>Cash flow, Market share, Cost control, Sales, Profitability</td>
</tr>
<tr>
<td>Customer satisfaction</td>
<td>Market share, Service, Image, Integration with customers,</td>
</tr>
<tr>
<td>Human resources</td>
<td>Employee relationship, Employee involvement, skills, Productivity, Quality of</td>
</tr>
<tr>
<td></td>
<td>work</td>
</tr>
</tbody>
</table>

Note – From Hudson, Smart, & Bourne (2001)

Table 2 summarizes the performance measures adopted by the researchers in leading studies in SME internationalization after 2000. Note the absence of non-financial measures and the variety of financial measures used. Apart from prominent studies by Oviatt and McDougall (1995) and Zahra et al. (2000a) which study about market share and organizational learning, the research is devoid of such contributions.

Table 2

**Summary of Previous Studies on Effect of SME Internationalization on Firm Performance**

<table>
<thead>
<tr>
<th>Researcher(s)</th>
<th>Country/Context</th>
<th>Variables</th>
<th>Nature of Study</th>
<th>Major Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beamish &amp; Lu (2001)</td>
<td>164 Japanese SMES</td>
<td>IV - FDI</td>
<td>Quantitative</td>
<td>Depend on the level of FDI</td>
</tr>
<tr>
<td></td>
<td></td>
<td>DV – ROS and ROA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chiao, Yang &amp; Yu (2006)</td>
<td>1419 Taiwan SMEs</td>
<td>IV - Export Sales/Total Sales</td>
<td>Quantitative</td>
<td>U- Shaped effect on performance</td>
</tr>
<tr>
<td></td>
<td></td>
<td>DV – ROS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chelliah, Sulaiman &amp; Yusoff (2010)</td>
<td>77 SMEs in Malaysia</td>
<td>IV - DOI</td>
<td>Quantitative</td>
<td>Significant relationship between internationalization and performance</td>
</tr>
<tr>
<td></td>
<td></td>
<td>DV – Average ROI, ROS, ROA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Zhou, Aiqi &amp; Bradley (2012)</td>
<td>300 managers in China</td>
<td>IV - Timing of the entry</td>
<td>Quantitative</td>
<td>Early foreign market entry enhances a young venture's international</td>
</tr>
<tr>
<td></td>
<td></td>
<td>DV – International</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Surprisingly prior studies have highlighted only the impact to financial performance through internationalization. The extent to which the internationalization influences non-financial performance is less evident (Zahra et al., 2000). It may be due to the fact that non-financial performance information is not easily obtainable in SMEs. However this creates a void in the SME internationalization studies as SME performance need to be analyzed in multi-faceted manner. The importance of non-financial outcomes of international entrepreneurship suggests a need to apply multiple measures to further improve future research in this area (George & Zahra, 2002). Strong profitability may or may not be an important objective for a new venture, which is trying to establish a foothold in a market (McDougall & Oviatt, 1996).

Another interesting fact in SME organization performance measures related to internationalization is the use of subjective measures instead of objective figures. It may be because of issues of accuracy (Beal, 2000). For this study, SME performance will be evaluated based on Erikson (2002) using sales growth, customer satisfaction, market share, profitability and the scales will be anchored on a five point Likert scale. However all these measures are financial related. This research intend to include non-financial dimensions such as overall employee commitment and satisfaction (Matzler et al., 2007) and social reputation (awards for the firm/entrepreneur, company reputation) Matzler & Renzl (2007) survey instrument includes five dimensions of employee satisfaction and will be used for this study.

3.2 Internationalization of SMEs

Internationalization is a multi-dimensional concept (Lu & Beamish, 2001). Majority of past studies measured internationalization based on percentage of sales generated from foreign markets (FS/TS). Multi-dimensional nature includes scale (FS/TS), scope (e.g. number of markets entered) and time (time to enter international market from inception). However due to several limitations in receiving data, FS/TS is the sole indicator of internationalization in past studies. However, use of single indicator for this very important variable in our study is not recommended for several reasons. It creates risk that the selected measure is confounded by method bias (Nunnally, 1978). Sullivan (1994) created a Degree of Internationalization index (DOI) that includes structural, market, product characteristics of international expansion. However due to difficulties in obtaining data and as most indexed dimensions may be not relevant in majority of SMEs context, it can be opted for a simpler yet multi-dimensional approach. It is intended to use three dimensions used by (Sapienza, De Clercq, & Sandberg, 2005) which include FS/TS, the percentage of employees that spend a significant time in international activities and the geographical scope of foreign sales calculated as a single weighted score. Information of these three dimensions is easily obtainable and comprehensive enough for the study of SME internationalization.

3.3 Brand Orientation

Bridson and Evans (2004) defined brand orientation as “The degree to which the organization values brands and its practices are oriented towards building brand capabilities” (p.404) In recognizing the need to use brands as a basis for competitive advantage, organizations are reaching beyond the traditional MO framework and are developing a brand orientation (Reid, 2005). Abimbola and Vallaster (2007) believe that branding, organization identity and reputation are critical ingredients of SME firm success in competitive markets. Bresciani and Eppler (2010) identify branding as crucial activity for survival of new ventures. Although branding and entrepreneurship are have been studied by many, the intersection has not been studied to a considerable extent. Past researchers have given their attention to MO as a predictor of SME internationalization (i.e. Armario, Ruiz, & Armario, 2008). The results of the past studies can be explained as contradictory and inconsistent. (See Table 3) Brand orientation could create an improved possibility for successful internationalization especially for SMEs in South Asian region due to several factors mentioned below.
SMEs in particular must rely on their knowledge of specialized, relatively narrow product niches in order to succeed (Schulz et al., 2009). Most of the SMEs that have internationalized in developing countries developed a niche market segment by highlighting unique attributes of the product. High cost of labor and energy precludes the SME sector of South Asia from gaining any cost advantage in industries such as tea, rubber and textiles. Therefore in this context where firms advantage is derived through branding (differentiation) more SMEs are becoming internationalized through brand building and positioning the organization/product as quality, flexibility, green, adopter of fair trade policy, etc. In contemporary international business where a great number of SME suppliers are in the fray with low cost products, it is the SMEs who have built the brand name domestically and/or internationally has the greater advantage to enter and capture the international niche markets. SMEs are increasingly using low budget powerful brand building techniques such as PR, networking, on-line branding and use of social media (Bresciani & Eppler, 2010), which can aid in SME internationalization process also. Brand orientation can be measured through scales developed by Wong and Merrilees (2008). Hence the new variable, Brand Orientation is added in place of MO as a better predictor of international success in South Asian context.

H1 – Brand orientation significantly influence internationalization

3.4 Individual Entrepreneurial Orientation

EO of the founder has been a focal point in studies of internationalization of SMEs probably attributed to the conviction supported by empirical evidence that in a firm with less number of employees, idea of internationalization is made by the entrepreneur facilitated by his strong position. Kuratko and Hodgetts (2007) defines entrepreneurship as “a process which is partly creation of business, which encompasses characteristics of seeking opportunity, taking risk beyond the safety netting and having the determination to push an idea through to reality” EO is the most widely used measure to capture the entrepreneurship at firm level (Baba, 2011). But in this research it will be used in the top management level to measure the EO of the SME top management. Khandwalla (1977) introduced the EO construct but it is Miller (1983) who introduced three dimensions of EO namely; pro-activeness, risk taking and innovation. Two more dimensions were added by Lumpkin and Dess (1996) namely; autonomy and competitive aggressiveness. A considerable number of EO studies on SME suggest that a positive relationship between EO and performance. (e.g. Fouda, 2007 and Wiklund and Shepherd, 2005). Research studies that involve dimensions of EO are also abundant but disjointed. However, according to Table 3 some studies do not present a positive relationship or some studies state that only certain components of EO affect the internationalization-performance relationship. (e.g Jantunen A. et al (2005), Johan F., Svante A. (2011)) Moreover other findings (Slater and Narver, 2000, Lee et al., 2005) were also unable to identify a significant relationship between EO and firm performance. (Kusumawardhani, Mccarthy, & Perera, 2009) But note that some researchers have used internationalization performance (not firm performance) whereas some have used other dimensions of internationalization (e.g. time to entry) Referring to Table 03, only Javalgi & Todd (2011) examined the relationship between EO and SME internationalization in South Asian region. Referring to the review article of Aspelund (2007) from 1992-2004, all studies on INVs have been conducted in developed countries except research by Kundu and Kartz (2000) and Kuemmerle (2002)
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Hence 2nd hypothesis of this research is on EO of the owner and top managers because of its effect on SME internationalization has not been agreed upon by scholars and warrants further research with appropriate moderators.

**H1** – Entrepreneurial Orientation significantly influence internationalization

**3.5 Middle mangers’ perception of corporate entrepreneurship**
Past researchers have concentrated on the characteristics of the top management of the firm as they were considered as instrumental in firm success, failure or strategic choices such as internationalization. The impact of EO on internationalization decision is tested on mostly in developed country context which are high on individualistic dimension of culture (Hofstede cultural dimensions) and in high tech/knowledge based industries where the rapid technology changes necessitate quick decision making. In such countries or industries, where individual decision making, individual goals and reputation are held in high esteem, such outcome can be expected. But in South Asian context where a collectivist culture prevails, the business decisions are taken collectively. Many studies revealed that traditional firms used stable circle of family and friends indecision making whereas INV decision making was concentrated on mostly an educated or experienced individual. Furthermore the idea of internationalization frequently emanate from an individual other than entrepreneur (Holmqquist, 1996). Therefore to test the EO of the top management only would be neglecting an important variable in the model to be tested in South Asian context. Therefore the researcher introduces a new variable “perceived entrepreneurship culture in the organization from the judgments of middle managers” to test the internationalization success.

There are several well validated and reliable tests to measure middle managers’ perception of corporate entrepreneurship in current literature. Barringer & Bluedorn (1999) used a scale developed by Covin and Slein (1986) The scale developed by Covin and Slein (1986) is a product of past studies of Khandwalla (1977) and Miller and Friesen (1982). Lu and Beamish, (2001) expanded the study of inquiry on EO to top managers from founder. This research takes a further step to include middle managers in the framework. Also it is assumed the in collective cultures it will be a valid predictor of internationalization as EO. Therefore 3rd hypothesis is formed as follows.

\textbf{H1 - Middle managers’ perception of corporate entrepreneurship significantly influences the internationalization}

3.6 Industry context

Researchers debate on precedents of SME internationalization. One school of thought argues that it is a phenomenon associated and explainable with entrepreneurship theories. Accordingly, the higher the entrepreneurial characteristics of the firm, the higher the degree of internationalization and speed of entry should be. Gradualist school of thought consider it to be an incremental and slow process based on the “experience and learning”. Bell (1995) points that gradualist models are especially challenged in high technology and service intensive industries. Andersson (2004) analyzed two industries in different stages of the Product Life Cycle. He found that organizations in mature industry follow an incremental path. Reliance on firm’s internal resources and personal characteristics of the entrepreneur in high growth industry is better explained by the international entrepreneurship theories. Bell et al.’s (2004) study in UK suggests that ‘traditional’ firms followed an incremental approach and ‘knowledge intensive’ firms reported an international orientation from inception. The inability of the gradualist and international entrepreneurship models to explain the internationalization compels us to search whether the above models are able to explain the internationalization of organizations in a particular industry. In a review table presented by Aspelund et al. (2007) on all INV research from 1992 to 2004 in core journals indicates that many prior studies concerned with impact of Internationalization of INV were on high-tech, knowledge intensive (e.g. Jones 1999, Hashai & Almor, 2004) or service industries. The nature of their industries such as targeting new markets, rapid technology development (i.e short window of opportunity), insufficient domestic market, and capabilities of the founder warrants a tendency to internationalize in a rapid manner than traditional industries (George & Zahra, 2002). Although high tech industries have been researched to a great extent, there is no evidence to decide that INV are confined to this sector (Crick et al., 2001). The traditional industries have attracted little research attention and the effect of EO to their internationalization is little known. Moreover, majority of the studies that have been conducted used small samples of high technology firms and yielded inconsistent results (George & Zahra, n.d.: Chiao, Yang, & Yu, 2006). Hence, they are limited in terms of statistical conclusion validity and generalization in the findings. Furthermore, little research has tried to compare the effect of predictors in different industry contexts. That could be the reason
Rygl and Fillis (2013) mentioned that future research contributing to underexplored in SME research includes the less researched industries (e.g., craft, art, trade) and studies from different contextual perspectives. For the purpose of this research conducted in South Asia, the differentiation of industries based on traditional and knowledge intensive can be adopted. As cited in Bell, Crick, & Young (2004), Coviello (1994) defined knowledge-intensive firms as “having a high value added value of scientific knowledge embedded in both products and process” and covers ICT and high technology manufacturing industry.

**H1a – Industry context has a moderating effect on the relationship between EO and internationalization significantly**

**H1b – Industry context has a moderating effect on the relationship between Brand Orientation and internationalization significantly**

**H1c – Industry context has a moderating effect on the relationship between Middle managers’ perception of corporate entrepreneurship and internationalization significantly**

### 3.7 Organizational Learning

Direct relationship that conceives organizational learning as a facilitator to internationalization is rare (Basly, 2007). Erickson (2000) explained internationalization as “a process of learning and accumulation of knowledge” depicting a close link between two variables. Internationalization is acknowledged by many scholars as discovery, exploitation of an international business opportunity and learning from the market. Although learning is of key importance in internationalization gradualist theories which states that experimental knowledge is a key input to decision on internationalization, surprisingly few studies have linked organizational learning with SME internationalization (Kauppinen & Juho, 2012). Few researchers have examined how a firm’s overall learning orientation affects its willingness to further internationalize (Clercq, n.d.). Autio et al. (2000) and Zahra (2005) argue that INV have a dynamic and flexible structure to rapidly assimilate and react to information that is a key ingredient of organizational learning. Past studies have revealed positive relationship between international and domestic learning and the propensity to internationalize further. A measure that identify five sub-processes of organization learning namely in information acquisition, distribution, interpretation, integration, and organizational memory is developed by Flores, Zheng, Rau, and Thomas (2010) For this research, instrument of Flores, Zheng, Rau, and Thomas (2010) can be used as it clearly prove that interpretation and integration are different dimensions of orgnizatioal learning whereas early measures do not identify them separetly.

**H1 – Organizational learning has a moderating effect on the relationship between internationalization and firm performance of SMEs.**

Since non-homegenity of SMEs can effete the reliabilty of the final result, it is proposed to control firm age and size as control variables.

### 4. Methodology

Data can be collected in self-reported questionnaire which can be either posted, sent through an e-mail or can be filled in a personal interview with the employees/employer. Due to the very low response rate encountered in previous studies involving SMEs (Chen, Zou, & Wang, 2009; Dimitratos, Lioukas, & Carter, 2004) personal interview may be the best option. The results need to be validated through non-response bias, inter-rater reliability and common method variance using Harman’s one-factor test when necessary, as suggested by Podsakoff and Organ (1986). Cronbach’s coefficient alpha should be the appropriate measure of reliability for the variables. Regression analysis is widely used to test the causality (Bloodgood et al., 1996) which can be used in this framework also.
5. Conclusion

The discussion and the stated hypotheses which result in the conceptual model (Figure 1) fulfill an identified research gap in current literature and extend the previous research. Such a research will also benefit the policy making process of South Asian countries which struggles to provide adequate and correct incentives to develop SMEs for global market.

References


Abstrak


Kata kunci: Akta Francais 1998, francaisor, francasi, diskriminasi

Pengenalan


Secara umumnya, Akta Francais 1998 disediakan bertujuan untuk membolehkan proses pendaftaran francais dilakukan dengan teratur dan sistematis. Kerajaan juga menaruh harapan yang besar agar industri francais di negara ini berkembang dan seterusnya melahirkan lebih ramai usahawan-usahawan

Walaupun terdapat kritikan yang menyatakan bahawa Akta Francais 1998 hanya memperlahankan perkembangan industri francais di negara ini kerana masalah birokrasi namun ia dilihat oleh banyak pihak sebagai satu kaedah untuk mengelakkan kes-kes penipuan dan diskriminasi dalam proses penawaran francais. Menurut Awalan (1999), berdasarkan latar belakang dan perkembangan pembangunan francais di negara ini, pewujudan dan penguatkuasaan akta ini adalah sesuatu yang sangat perlu berdasarkan asas-asas berikut:

- Pembangunan francais di Malaysia, terutamanya pembangunan perniagaan francais tempatan secara relatifnya masih baru dan boleh dikatakan masih di peringkat ‘infancy’. Oleh yang demikian, pewujudan akta ini akan dapat membantu memberi garis panduan kepada bakal bakal francaisor, francaisi induk dan francaisi tentang perkara-perkara asas yang perlu diteliti dan dipenuhi sebelum menceburi bidang perniagaan ini;
- Berdasarkan pengalaman pihak Kementerian Pembangunan Usahawan dan Koperasi (MeCD) (MeCD telah dimansuhkan dan pembangunan francais diletakkan di bawah Kementerian Perdagangan Dalam Negeri, Koperasi dan Kepenggunaan (KPDNKK) bahawa terdapat banyak kes-kes salah-laku yang cenderung kepada unsur-unsur penipuan, percubaan memperdaya dan elemen diskriminasi berlaku dalam proses penawaran francais. Akta francais juga berperanan mencegah pengedaran dokumen penzahiran yang mengandungi maklumat yang mengelirukan dan tidak tepat atau meninggalkan mana-mana maklumat yang penting kepada bakal-bakal francais;
- Menggalakkan amalan-amalan murni perniagaan seperti jujur (bona fide), tanggungjawab untuk berhati-hati dan tanggungjawab pengamanahan (fiduciary), di samping mengandungi sistem dan hak-hak cipta milik francaisor daripada ditiru.

*Akta Francais 1998*

Secara umumnya, Akta Francais 1998 boleh dibahagikan kepada lapan bahagian utama yang merangkumi enam puluh satu (61) seksyen seperti yang ditunjukkan dalam Jadual 1 di bawah. Walau bagaimanapun, perbincangan hanya memfokuskan kepada lima perkara utama iaitu bahagian yang berkaitan dengan tafsiran, pendaftaran, francaisor dan francaisi, lembaga penasihat francais dan penguatkuasaan.
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Tafsiran Francis


(a) pemberi francis memberi pemegang francis hak untuk mengendalikan perniagaan mengikut sistem francis yang ditentukan oleh pemberi francis selama tempoh yang ditentukan oleh pemberi francis;
(b) pemberi francis memberi pemegang francis hak untuk menggunakan cap, atau rahsia perdagangan, atau apa-apa maklumat sulit atau harta intelektual, yang dipunyai oleh pemberi francis atau berhubungan dengan pemberi francis, dan termasuk keadaan apabila pemberi francis, yang merupakan pengguna berdaftar, atau dilesenkan oleh orang lain untuk menggunakan, apa-apa harta intelektual, memberikan apa-apa hak yang dimilikinya untuk membenarkan pemegang francis menggunakan harta intelektual itu;
(c) pemberi francis memiliki hak untuk melaksanakan kawalan berterusan sepanjang tempoh francis terhadap pengendalian perniagaan pemegang francis mengikut sistem francis;
(d) pemberi francis mempunyai tanggungjawab untuk memberikan bantuan kepada pemegang francis untuk mengendalikan perniagaannya termasuklah apa-apa bantuan seperti peruntukan atau pembekalan bahan dan perkhidmatan, latihan, pemasaran dan bantuan perniagaan atau teknik;
(e) sebagai balasan kepada pemberian hak-hak itu, pemegang francais dikehendaki membayar fi atau bentuk balasan yang lain; dan
(f) pemegang francais mengendalikan perniagaan secara berasingan daripada pemberi francais, dan hubungan pemegang francais dengan pemberi francais tidak boleh pada bila-bila masa dianggap sebagai suatu perkongsian, kontrak perkhidmatan atau agensi.

Jika sekitiranya francaisor gagal memenuhi keenam-enam ciri tersebut atau mana-mana gabungan dari ciri-ciri yang dinyatakan maka syarikat yang menawarkan sistem francais tersebut boleh dianggap melakukan kemungkiran seperti kegagalan francaisor memberikan bantuan dan latihan. Dalam konteks ini, francaisor perlu lebih bertanggungjawab dan memimpin francasi-francasi di bawah mereka dan tidak hanya mengutip yuran dan royalti francais sahaja.

Namun begitu, Akta Francais (Pindaan) 2012 yang diwartakan pada 20 September 2012 telah memotong perenggan (d) dan (f) tanpa menggantikan dengan taksiran yang lain. Sebaliknya perenggan (f) telah dibawa ke Pindaan Seksyen 29 dengan meletakkan tafsiran tersebut sebagai subseksyen (3). Walau bagaimanapun, pemotongan perenggan (d) tidak pula dinyatakan di seksyen mana ia dipindahkan (lihat Undang-Undang Malaysia, Akta A1442, Akta Francais (Pindaan) 2012).

Pendaftaran Francais (RoF)

Bagi memastikan pemberi francais dapat menjalankan perniagaan secara sah di negara ini maka mereka dikehendaki supaya mendaftarkan perniagaan mereka kepada Pendaftar Francais (RoF). Sehubungan dengan itu, Seksyen 6 (1) mengkehendaki seseorang pemberi francais (francaisor) mendaftarkan francaisnya dengan Pendaftar sebelum dia boleh membuat tawaran untuk menjual francais mereka kepada mana-mana individu atau syarikat yang berminat menjadi francasi. Semasa proses pendaftaran, Seksyen 7 (1) mengkehendaki pemberi francais mengemukakan beberapa dokumen. Antara dokumen-dokumen penting yang perlu dikemukakan kepada Pendaftar adalah;

(a) dokumen penzahiran yang lengkap dengan kesemua butir yang perlu telah diisi;
(b) suatu sampel perjanjian francais;
(c) manual pengendalian francais;
(d) manual latihan francais;
(e) suatu salinan terbaru akaun teraudit, penyata kewangan dan laporan; dan
(f) apa-apa maklumat atau dokumen tambahan lain yang dikehendaki oleh Pendaftar bagi maksud menentukan permohonan itu.

Pendaftaran Francais Seksyen baru 6A dan 6B

"Pendaftaran pemegang francais pemberi francais asing"

6A (1) Sebelum memulakan perniagaan francais, seseorang pemegang francais yang kepadanya francais diberikan daripada seseorang pemberi francais asing hendaklah memohon untuk mendaftarkan francais itu kepada Pendaftar dengan menggunakan borang permohonan yang ditetapkan dan permohonan itu hendaklah tertakluk kepada kelulusan Pendaftar.
"Pendaftaran pemegang francais"

6B Pemegang francais yang kepadanya francais diberikan daripada pemberi francais tempatan atau pemegang francais induk tempatan atau pemegang francais yang kepadanya francais diberikan daripada pemberi Francois tempatan atau pemegang Francois induk tempatan hendaklah mendaftarkan francais itu kepada Pendaftar dengan menggunakan borang pendaftaran yang ditetapkan dalam tempoh empat belas hari dari tarikh menandatangani perjanjian antara pemberi Francois dengan pemegang Francois.


Sementara itu, Seksyen 7 (1) (e) menyatakan mana-mana pemberi Francois yang mengemukakan permohonan pendaftaran hendaklah menyerahkan satu salinan terbaru akaun teraudit dan penyata kewangan. Walaupun tidak dinyatakan secara jelas tempoh penyata yang dikehendaki seperti di dalam seksyen tersebut tetapi 3 tahun arial teraudit adalah sebagai tempoh biasa jika seseorang ingin melihat rekod pencapaian sesebuah perniagaan. Dalam erti kata lain, mana-mana pemberi Francois yang hendak menawarkan perniagaan Francois, mereka hendaklah beroperasi di negara ini untuk tempoh sekurang-kurangnya 3 tahun terlebih dahulu. Walaupun begitu, mulai tahun 2007, Kerajaan melalui MeCD ketika itu telah membuat pengubahsuaian terhadap seksyen tersebut di mana francisor asing hanya diminta mengemukakan 1 (satu) tahun arial teraudit yang beroperasi di Malaysia manakala 2 (dua) tahun arial teraudit di negara masing-masing. Ini bermaksna, francisor asing boleh menjual Francois mereka kepada rakyat tempat selain selepas setahun mereka beroperasi di negara ini.


Seksyen 12 (1) memperuntukkan bahawa jika Pendaftar bercadang untuk menggantung, menamatkan, melarang atau menolak penjualan atau pendaftaran sesuatu Francois, Pendaftar hendaklah memberi pemohon atau pemberi Francois notis bertulis tentang niatnya untuk berbuat demikian, dengan menyatakan jenis tindakan dan alasan yang dicadangkan dan hendaklah memberi pemohon atau pemberi Francois peluang untuk membuat representasi bertulis tentang perkara itu dalam tempoh empat belas hari dari tarikh penyampaian notis itu.
Seksyen 12 (2) pula menyatakan selepas habis tempoh empat belas hari dan setelah memberi pertimbangan representasi yang dibuat oleh pemohon atau pemberi francais, Pendaftar hendaklah memutuskan sama ada akan meneruskan tindakan yang dicadangkan atau mengambil tindakan selanjutnya. Walau bagaimanapun, Seksyen 17 memperuntukkan bahawa pemohon atau pemberi francais yang terkilan dengan apa-apa keputusan yang diambil oleh pihak Pendaftar, boleh mengemukakan rayuan kepada Menteri mengikut cara yang ditetapkan dalam tempoh satu bulan dari tarikh keputusan itu diberitahu kepada pemohon atau pemberi francais dan segala keputusan Menteri tentang rayuan yang dikemukakan adalah muktamad.

Kewajipan-kewajipan Francisor dan Francaisi

Seperti yang diketahui bahawa francisor atau pemberi francais mempunyai tanggungjawab yang besar dalam membentuk hubungan yang berterusan dengan penerima francais atau francasi. Sebelum francais menandatangani sebarang perjanjian, francisor perlu mengemukakan surat perjanjian dan dokumen francais yang mengandungi butiran-butiran terperinci tentang perniagaan francais yang hendak dijalankan. Sehubungan itu, Seksyen 15 (1) mewajibkan francisor supaya mengemukakan perjanjian francais dan dokumen penzahiran kepada francasi sekurang-kurangnya sepuluh (10) hari sebelum francisor menandatangani perjanjian dengan francaisor. Seksyen 18 (2) pula memerihalkan 13 perkara penting yang perlu ditunjukkan di dalam perjanjian francais. Antara perkara yang dinyatakan di dalam perjanjian tersebut adalah;

a) nama dan perihal keluaran dan perniagaan di bawah francais;
b) hak wilayah yang diberikan kepada pemegang francais;
c) fi francais, fi promosi, royalti atau apa-apa jenis bayaran yang berkaitan yang boleh dikenakan atas pemegang francais, jika ada;
d) kewajipan pemberi francais;
e) kewajipan pemegang francais;

Jika sekiranya perjanjian francais telah ditandatangani, satu tempoh bertenang tidak boleh kurang daripada tujuh hari bekerja hendaklah diberikan kepada pemegang francais untuk memikirkan kembali keputusan yang telah dibuat. Francais mempunyai hak sama ada hendak meneruskan perjanjian ataupun tidak. Ini dinyatakan dengan jelas dalam Seksyen 18 (4). Walau bagaimanapun, Seksyen 18 (5) memberi kebenaran kepada francisor untuk mengambil sebahagian yuran yang telah dibayar oleh francaisi jika francaisi mengambil keputusan untuk membatalkan perjanjian tersebut. Penyimpanan sebahagian daripada fi atau yuran yang telah dibayar adalah bertujuan untuk menampung perbelanjaan menyediakan dokumen perjanjian dan selebihnya hendaklah dipulangkan kembali kepada francaisi.

Seksyen 20 adalah berkaitan dengan larangan terhadap diskriminasi. Francais menjadi tidak adil dan melanggar Akta jika mana-mana pemberi francais atau francisor mendiskriminasikan dengan cara tidak munasabah dan dengan ketara antara pemegang-pemegang francais. Diskriminasi boleh dalam bentuk bayaran yang ditawarkan, royalti, barangan, perkhidmatan, kelengkapan, sewa atau perkhidmatan pengiklanan. Ia dianggap sebagai satu bentuk diskriminasi jika sekiranya diskriminasi itu boleh menyebabkan persaingan yang memudaratkan mana-mana pemegang francais yang bersaing dengan pemegang francais yang menerima faedah daripada diskriminasi itu. Dengan lain perkataan, francisor tidak boleh memberikan layanan yang berlebihan kepada francaisi yang mana mereka...
mempunyai hubungan yang lebih baik. Contohnya, penghantaran barangan atau stok barang yang lebih cepat kepada francaisi yang disukai oleh francais berbanding francais-francaisi di tempat lain boleh dianggap sebagai satu bentuk diskriminasi.

Walau bagaimanapun terdapat pengecualian kepada Seksyen 20 jika ia memenuhi beberapa pengelasan yang difikirkan munasabah seperti yang dinyatakan di bawah:

a) berdasarkan kepada francais yang diberikan pada masa yang berlainan dan diskriminasi itu adalah berhubung dengan munasabahnya dengan perbezaan masa itu;
b) berhubung dengan satu program atau lebih bagi membuatkan francais tersedia kepada orang yang tidak cukup modal, latihan, pengalaman perniagaan atau pendidikan atau kurang kelayakan yang lain;
c) berhubung dengan usaha oleh Kerajaan atau mana-mana agensinya untuk menggalakkan kepelbagaian dalam keluaran atau bidang perkhidmatan atau format atau reka bentuk perniagaan;
d) berhubung dengan usaha oleh seorang pemegang francais atau lebih untuk membaiki kekurangan dalam pengendalian perniagaan yang difrancaiskan; atau keingkaran dalam perjanjian francais, atau
e) berdasarkan pada perbezaan-perbezaan lain yang munasabah dengan mengambil kira maksud-maksud Akta ini dan tidaklah dibuat sewenang-wenangnya.

Selain daripada itu, terdapat beberapa lagi kewajipan yang perlu dipenuhi oleh pemberi dan pemegang francais. Antaranya Seksyen 30 (1) hingga (4) menyatakan bahawa:

1. Pemberi francais hendaklah memberikan notis bertulis mengenai kemungkinan kontrak oleh pemegang francais dan memberikan pemegang francais masa untuk memulihkan kemungkinan itu.
2. Pemegang francais hendaklah membayar fi francais, royalti, fi promosi atau apa-apa bayaran lain yang diperuntukkan dalam perjanjian francais.
3. Pemberi francais hendaklah memberikan bantuan kepada pemegang francais untuk mengendalikan perniagaannya, seperti peruntukkan atau pembekalan bahan dan perkhidmatan, latihan, pemasaran dan bantuan perniagaan atau teknik.
4. Pemberi francais dan pemegang francais hendaklah melindungi kepentingan pengguna pada setiap masa.

Tempoh dan Penamatan Perjanjian Francais

Seksyen 25 menyatakan dengan jelas bahawa tempoh francais tidak boleh kurang daripada 5 tahun. Bagi sesetengah syarikat, perjanjian francais ditandatangani untuk tempoh yang agak lama seperti 10 tahun, 15 tahun atau 20 tahun. Semakin lama tempoh yang diberikan semakin tinggi yuran francais yang dikenakan kepada pemegang francais. Perjanjian francais yang ditandatangani tidak boleh ditamatkan sebelum tarikh habis tempoh kecuali dengan sebab-sebab yang baik. Ini dinyatakan dalam Seksyen 31 (1). Sebab yang baik hendaklah termasuk:

a) kegagalan pemegang francais untuk mematuhi apa-apa terma perjanjian francais atau mana-mana perjanjian lain yang berkaitan yang dibuat antara pemberi francais dengan pemegang francais; dan

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b) kegagalan pemegang francais untuk memulihkan kemungkiran yang telah dilakukannya atau mana-mana pekerjanya dalam tempoh yang dinyatakan dalam notis bertulis yang diberikan oleh pemberi francais, yang tidak boleh kurang daripada 14 hari bagi pemulihan kemungkiran itu.

Walau bagaimanapun, Seksyen 33 menyatakan tempoh francais boleh ditamatkan sebelum habis tempoh minimum 5 tahun dalam hal keadaan yang berikut:

a) jika kedua-dua pihak dalam perjanjian francais itu bersetuju dengan penamatian; atau
b) jika mahkamah memutuskan bahawa terdapat syarat-syarat tertentu dalam perjanjian francais itu yang mewajarkan perjanjian itu ditamatkan lebih awal daripada tempoh minimum.

Sebaliknya, Seksyen 34 (1) memperuntukkan pada bila-bila masa sebelum habis tempoh francais, pemegang francais hendaklah mengikut pilihanannya memberikan notis kepada pemberi francais untuk melanjutkan tempoh francais itu. Pindaan kepada subseksyen (1) pula menyatakan bahawa pemegang francais boleh memohon melanjutkan tempoh francaisnya dengan memberi notis tertulis kepada pemberi francais tidak kurang daripada enam bulan sebelum tamatnya tempoh francais itu. Jika sekiranya pemberi francais bersetuju melanjutkan tempoh perjanjian tersebut, Seksyen 34 (2) menyatakan bahawa perjanjian yang dilanjutkan itu hendaklah mengandungi syarat-syarat yang sama tanpa menokok tambah syarat-syarat yang baru. Jika pemberi francais bercadang hendak menambah syarat-syarat baru seperti mengenakan royalti dari 5 peratus kepada 6 peratus maka perjanjian lama hendaklah dibatalkan keseluruhan dan merangka perjanjian yang baru. Perjanjian baru ini seolah-olah kedua-dua pihak tidak pernah berhubungan atau menandatangani sebarang perjanjian sebelum itu.

Jaminan Perlindungan Terhadap Maklumat Rahsia

Akta Francais 1998 juga memberi perlindungan kepada maklumat-maklumat rahsia pemberi francais atau francaisor seperti resepi masakan dan prosedur operasi syarikat. Ini dinyatakan dalam Seksyen 26 di mana pemegang francais atau francaisor hendaklah memberikan jaminan bertulis kepada pemberi francais bahawa pemegang francais dan pekerja-pekerjanya tidak akan menzahirkan kepada mana-mana orang apa-apa maklumat yang terkandung dalam manual pengendalian atau yang diperoleh semasa menjalani latihan yang dianjurkan oleh pemberi francais semasa tempoh perjanjian francais itu dan selama dua tahun selepas perjanjian francais itu habis tempoh atau ditamatkan lebih awal. Pindaan subseksyen (1) pula menjelaskan perkataan pemegang francais dan pekerja-pekerjanya dipinda kepada “pemegang francais, termasuk pengarah, suami atau isteri dan keluarga terdekat pengarah itu, dan pekerja.”

Selain itu, Seksyen 27 (1) juga menyatakan bahawa francaisor hendaklah memberikan jaminan secara bertulis kepada francaisor bahawa pemegang francais, termasuk pengarah, suami atau isteri dan keluarga terdekat pengarah itu, dan pekerja-pekerjanya tidak akan menjalankan apa-apa perjanjian lain yang serupa dengan perniagaan yang difrancaiskan yang dikendalikan oleh pemegang francais semasa tempoh perjanjian francais itu dan selama dua tahun selepas perjanjian itu habis tempoh atau ditamatkan lebih awal. Ini bermakna, pemegang francais, termasuk pengarah, suami atau isteri dan keluarga terdekat pengarah itu, dan pekerja-pekerjanya tidak boleh menjalankan sebarang aktiviti perniagaan yang serupa dengan apa yang pernah mereka jalankan selama tempoh dua tahun selepas tamat perjanjian.
Fungsi Lembaga Penasihat Francais

Seksyen 35 (2) menyatakan bahawa ahli Lembaga Penasihat Francais hendaklah bilangannya tidak melebihi lima belas (15) orang yang boleh dilantik oleh Menteri dari semasa ke semasa. Anggota-anggota yang dilantik hendaklah orang yang mempunyai pengetahuan yang luas dalam perkara-perkara yang berhubungan dengan francais. Anggota-anggota yang dilantik boleh menerima apa-apa saraan yang ditetapkan bagi perkhidmatan mereka.


Penguatkuasaan Akta

Jika diteliti seksyen-seksyen yang berkaitan dengan penguatkuasaan tentang kesalahan-kesalahan dan penipuan yang berlaku dalam industri francais di Malaysia, Akta ini memperuntukkan kuasa yang cukup untuk menyiapkan, menggeledah dengan waran, penggeledahan dan penyitaan tanpa waran serta pendakwahan. Namun begitu, sejauh mana kuasa ini digunakan sehingga kes-kes terlibat dibawa ke peringkat mahkamah masih belum dapat dipastikan. Apa yang diketahui setakat ini, kebanyakan kes-kes pertikaian diselesaikan oleh mediator atau orang tengah. Walau bagaimanapun, marilah kita lihat beberapa seksyen yang berkaitan dengan hal-hal penguatkuasaan.


Sêksyen 44 (1) pula memberikan kuasa kepada pegawai yang dilantik untuk melakukan penggeledahan dengan waran. Jika terdapat sebab-sebab yang menasabah untuk mempercayai bahawa suatu kesalahan di bawah Akta ini sedang atau telah dilakukan di mana-mana premis, Mejistret boleh mengeluarkan waran untuk memasuki premis itu pada bila-bila masa yang munasabah sama ada pada waktu siang atau malam, dengan atau tanpa bantuan dan jika perlu dengan kekerasan. Sêksyen 44 (2) pula menambah bahawa pegawai yang diberi kuasa, boleh menggeledah dan menyita dokumen-dokumen serta barang-barang berikut:
a) salinan apa-apa buku, akaun atau dokumen lain, termasuklah data berkomputer, yang mengandungi atau yang disyaki dengan munasabah mengandungi maklumat tentang apa-apa kesalahan yang disyaki telah dilakukan sedemikian;
b) apa-apa cap, papan tanda, kad, surat, risalah atau peranti atau benda lain yang menggambarkan atau membuyangkan bahawa orang itu ialah pemberi francais, broker francais atau pemegang francais;
c) apa-apa dokumen atau barang lain yang dengan munasabahnya dipercayai memberikan keterangan mengenai pelaku kesalahan itu.

Berhubung dengan Seksyen 44 (1) di atas, pegawai yang diberi kuasa masih boleh melakukan penggeledahan dan penyitaan tanpa waran. Seksyen 45 memperuntukkan bahawa jika terdapat sebab munasabah untuk mempercayai bahawa oleh sebab kelewatan dalam memperoleh suatu waran geledah maka penyiasatan akan terjejas atau keterangan mengenai pelaku kesalahan berkemungkinan diusik, dipindahkan, dirosakkan atau dimusnahkan, pegawai boleh masuk ke dalam premis untuk melakukan siasatan.

Rumusan


Rujukan


Undang-Undang Malaysia, Akta A1442, Akta Francais (Pindaan) 2012)

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ABSTRAK
Perniagaan berpusat di rumah (Home-based business, HBB) merupakan perniagaan mikro yang banyak dijalankan oleh wanita berbanding lelaki sebagai usaha untuk menambah pendapatan peribadi, keluarga dan lain-lain sebab. Pada masa ini, kurang perhatian yang diberikan oleh penyelidik tempatan mengenai maklumat profil peribadi, keluarga dan perniagaan usahawan ini kurang diketahui walhul umum telah mengetahui bahawa kegiatan ini telah lama dan ramai yang mengusahakannya. Bagi memenuhi kekurangan tersebut lantaran kepentingan untuk membantu golongan ini perlu disedarkan kepada umum, maka penyelidik telah mengambil langkah awal dalam kajian ini dengan menggunakan kaedah snow ball. Dapatkan kajian menunjukkan wanita lebih ramai terlibat dalam HBB berbanding lelaki dan lebih 90% responden menyatakan tujuan dan pendorong mereka terlibat dalam kajian ini disebabkan untuk mendapatkan punca pendapatan. Dapatkan kajian, dijelaskan bahwa responden memilih untuk memperbanyakkan kajian mengenai HBB. Selain itu, kajian ini diharap dapat menyediakan pihak kerajaan supaya diadakan bantuan-bantuan sewajarnya kepada golongan usahawan ini bagi membantu mereka mengembangkan lagi perniagaan masing-masing di masa hadapan.

Katakunci: Perniagaan berpusat di rumah, perniagaan mikro, keusahawanan.

PENGENALAN


Menyedari tentang perkembangan dan kepentingan HBB yang diperolehi menerusi artikel daripada pihak luar negara, pengkaji cuba menyelidiki artikel yang menyentuh HBB di Malaysia. Malangnya, artikel tersebut amatlah terhad dan dalam kontek penyelidikan, boleh dikatakan tiada kajian yang dapat menerangkan perihal dan maklumat lengkap mengenai HBB di Malaysia. Di samping itu, tiada pihak yang dapat menunjukkan satu ciri tersendiri HBB di Malaysia padahal kita mengetahui bahawa ia banyak menyumbang kepada sosioekonomi penduduk dan negara.


Oleh itu, satu kajian telah dilakukan bertujuan untuk mengenali profil peribadi, keluarga dan perniagaan usahawan yang terbabit dengan HBB. Kajian ini telah dijalankan di daerah Kubang Pasu, Kedah.

**TINJAUAN LITERATUR**


mendefinisikan HBB adalah enterprise berorientasikan keuntungan yang dioperasikan di tempat tinggal pemiliknya atau bangunan di sekelilingnya.


Australian Bureau of Statistics (ABS) mengenalpasti HBB sebagai perniagaan yang mengambil pekerja kurang dari 20 orang dan mengenalpasti 2 situasi yang mana sesebuah perniagaan tersebut boleh dipertimbangkan sebagai HBB iaitu:

- Perniagaan dioperasikan dari rumah salah seorang dari para pemiliknya walaupun sedikit saja kerja berkaitan perniagaan dijalankan di rumah seperti tukang paip, tukang cat, juru elektrik, tukang rumah dan sebagainya.
- Di mana satu atau lebih operator mengambil masa kerja yang banyak di rumah berbanding di luar rumah (Stanger 1998)


KAEDAH KAJIAN


Populasi kajian ini ialah usahawan yang terlibat di dalam HBB. Apa yang menjadi masalah kepada kajian ini ialah tiada maklumat mengenai setiap usahawan yang dapat diperolehi daripada mana-mana agensi kerajaan baik di peringkat negeri maupun pusat. Oleh itu, kajian ini perlu menggunakan teknik nonprobability sampling. Kaedah persampelan yang digunakan dalam kajian ini adalah teknik snowball. Teknik tersebut sesuai digunakan apabila responden sukar untuk dikenalpasti, sukar untuk dihubungi dan kedudukan di mana mereka berada hanya boleh diperoleh menerusi jaringan rujukan (Cooper & Schindler, 2000).

Seramai dua orang enumerator telah digunakan selama 28 hari bagi tujuan pemerolehan data. Pihak enumerator telah memula menjalankan proses dapaat data berdasarkan umum di Daerah Kubang Pasu bagi memastikan hanya responden yang tinggal di Daerah Kubang Pasu sahaja yang dipilih. Apabila pihak enumerator mendapat responden dalam sesuatu maklumat, enumerator akan cuba mendapatkan maklumat mengenai responden yang berpotensi untuk terlibat dalam kajian dan kemudiannya akan bergerak ke responden yang dicadangkan oleh responden yang terdahulu dan seterusnya. Seramai 91 orang responden telah ditemui oleh enumerator kajian di mana setiap responden ini dikenalpasti untuk mengisi borang sola-selidik yang dibangunkan. Solaselidik yang dibangunkan telah diambil daripada Duncan (1991) dan telah diubahsuai sesuai dengan persekitaran
kajian di daerah Kubang Pasu. Pada bahagian berikutnya ditunjukkan maklumat dapatan kajian ini menerusi lapangan kutipan data yang telah dijalankan oleh pihak enumerator kajian ini.

**DAPATAN KAJIAN**


**Jadual 1 : Demografik Usahawan HBB**

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<td>Berkahwin</td>
<td>81</td>
<td>89</td>
</tr>
<tr>
<td>Bujang</td>
<td>4</td>
<td>4.4</td>
</tr>
<tr>
<td>Balu/Janda/Duda</td>
<td>6</td>
<td>6.6</td>
</tr>
<tr>
<td><strong>Umur</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>25 tahun dan ke bawah</td>
<td>1</td>
<td>1.1</td>
</tr>
<tr>
<td>26 hingga 30</td>
<td>8</td>
<td>8.8</td>
</tr>
<tr>
<td>31 hingga 35</td>
<td>14</td>
<td>15.4</td>
</tr>
<tr>
<td>36 hingga 40</td>
<td>18</td>
<td>19.8</td>
</tr>
<tr>
<td>41 hingga 45</td>
<td>14</td>
<td>15.4</td>
</tr>
<tr>
<td>46 hingga 50</td>
<td>12</td>
<td>13.2</td>
</tr>
<tr>
<td>51 hingga 55</td>
<td>12</td>
<td>13.2</td>
</tr>
<tr>
<td>56 dan ke atas</td>
<td>12</td>
<td>13.2</td>
</tr>
<tr>
<td><strong>Tahap Pendidikan</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tidak pernah bersekolah</td>
<td>6</td>
<td>6.6</td>
</tr>
<tr>
<td>Sekolah rendah</td>
<td>32</td>
<td>35.2</td>
</tr>
<tr>
<td>Sekolah menengah</td>
<td>44</td>
<td>48.4</td>
</tr>
<tr>
<td>Diploma</td>
<td>2</td>
<td>2.2</td>
</tr>
<tr>
<td>Ijazah</td>
<td>4</td>
<td>4.4</td>
</tr>
<tr>
<td>Lain-lain</td>
<td>3</td>
<td>3.3</td>
</tr>
</tbody>
</table>

Hasil kajian memperoleh lebih ramai usahawan di kalangani wanita berbanding lelaki iaitu sebanyak 58%. Selain itu, golongan Melayu dilihat paling ramai yang terlibat dalam dapatan kajian iatu sebanyak 84%. Seramai 81 responden yang ditemui berkahwin dan hanya 10 orang responden yang masih bujang atau telah menjadi balu, janda atau duda. Kajian turut mendapati usahawan dari kelompok umur antara 36 hingga 40 tahun merupakan golongan yang tertinggi iaitu sebanyak 20%. Sementara itu, dari sudut tahap pendidikan sebanyak 48.4% responden yang ditemui menyatakan mereka hanya mempunyai tahap pendidikan sehingga ke peringkat sekolah menengah sahaja dan
35.2% hanya di peringkat sekolah rendah. Hanya 6.6% sahaja yang menyatakan mereka tidak pernah ke sekolah dan 4.4% menyatakan mereka mendapat pendidikan sehingga ke peringkat ijazah pertama.

Kajian turut meneliti tentang tujuan mengapa usahawan terlibat di dalam HBB. Kajian mendapati lebih 50% responden bersetuju bahawa perniagaan yang dijalankan adalah untuk mendapatkan sumber kewangan untuk hidup, bagi mendapatkan lebih pendapatan dan untuk mengumpul wang untuk keperluan masa depan anak-anak. Maklumat ini dapat diperolehi dalam Jadual 2.

**Jadual 2: Tujuan Menjalankan Perniagaan**

<table>
<thead>
<tr>
<th>Tujuan</th>
<th>Ya</th>
<th>Tidak</th>
<th>Peratusan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Menyediakan wang untuk keperluan hidup</td>
<td>62 (68.1%)</td>
<td>29 (31.9%)</td>
<td>100 %</td>
</tr>
<tr>
<td>Untuk mendapatkan lebih pendapatan</td>
<td>55 (60.4%)</td>
<td>36 (39.6%)</td>
<td>100 %</td>
</tr>
<tr>
<td>Kumpul wang bagi keperluan masa depan</td>
<td>54 (59.3%)</td>
<td>37 (40.7%)</td>
<td>100 %</td>
</tr>
<tr>
<td>Bekerja sambil bersama anak-anak</td>
<td>29 (31.9%)</td>
<td>62 (68.1%)</td>
<td>100 %</td>
</tr>
<tr>
<td>Untuk mendapat lebih kebebasan</td>
<td>15 (16.5%)</td>
<td>76 (83.5%)</td>
<td>100 %</td>
</tr>
<tr>
<td>Untuk menjadi ketua</td>
<td>6 (6.6%)</td>
<td>85 (93.4%)</td>
<td>100 %</td>
</tr>
<tr>
<td>Sebagai kerja sambilan</td>
<td>21 (23.1%)</td>
<td>70 (76.9%)</td>
<td>100 %</td>
</tr>
<tr>
<td>Kecewa dengan kerja terdahulu</td>
<td>3 (3.3%)</td>
<td>88 (96.7%)</td>
<td>100 %</td>
</tr>
<tr>
<td>Hilang pekerjaan</td>
<td>5 (5.5%)</td>
<td>86 (94.5%)</td>
<td>100 %</td>
</tr>
<tr>
<td>Kerja yang saya gemar lakukan</td>
<td>25 (27.5%)</td>
<td>66 (72.5%)</td>
<td>100 %</td>
</tr>
<tr>
<td>Ada masa untuk menjaga ahli keluarga yang kurang upaya</td>
<td>3 (3.3%)</td>
<td>88 (96.7%)</td>
<td>100 %</td>
</tr>
<tr>
<td>Mengambil kesempatan dari kemahiran yang ada</td>
<td>27 (29.7%)</td>
<td>64 (70.3%)</td>
<td>100 %</td>
</tr>
<tr>
<td>Tidak dirancang terjadi secara tiba-tiba</td>
<td>5 (5.5%)</td>
<td>86 (94.5%)</td>
<td>100 %</td>
</tr>
<tr>
<td>Ada sesuatu untuk dilakukan dalam hidup</td>
<td>21 (23.1%)</td>
<td>70 (76.9%)</td>
<td>100 %</td>
</tr>
<tr>
<td>Untuk mempergunakan pendidikan yang diperolehi</td>
<td>5 (5.5%)</td>
<td>86 (94.5%)</td>
<td>100 %</td>
</tr>
</tbody>
</table>

Dapatkan kajian seperti di Jadual 2, mendapati lebih dari 60% responden bersetuju bahawa keperluan ekonomi dan peluang untuk mendapatkan wang merupakan faktor-faktor utama yang menjadi pendorong kepada mereka untuk memulakan perniagaan. Kajian turut mengenalpasti bahawa hampir kesemua responden tidak bersetuju ke atas faktor seperti perniagaan sebagai kerjaya yang terjamin dan perniagaan sebagai peluang untuk mendapatkan status/prestij sebagai faktor pendorong kepada
memulakan perniagaan. Maklumat Jadual 2 dan Jadual 3 telah saling mengesahkan faktor yang menyebabkan usahawan terlibat di dalam HBB.

### Jadual 3: Faktor Pendorong Penglibatan Usahawan HBB

<table>
<thead>
<tr>
<th>Faktor Faktor</th>
<th>Ya</th>
<th>Tidak</th>
<th>Peratusan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kepuasan kendiri</td>
<td>27(29.7%)</td>
<td>64(70.3%)</td>
<td>100%</td>
</tr>
<tr>
<td>Kerjaya yang terjamin</td>
<td>7(7.7%)</td>
<td>84(92.3%)</td>
<td>100%</td>
</tr>
<tr>
<td>Keperluan ekonomi</td>
<td>68(74.7%)</td>
<td>23(25.3%)</td>
<td>100%</td>
</tr>
<tr>
<td>Galakan keluarga dan rakan</td>
<td>45(49.5%)</td>
<td>46(50.5%)</td>
<td>100%</td>
</tr>
<tr>
<td>Kebebasan bekerja</td>
<td>24(26.4%)</td>
<td>67(73.6%)</td>
<td>100%</td>
</tr>
<tr>
<td>Kepuasan kerja</td>
<td>18(19.8%)</td>
<td>73(80.2%)</td>
<td>100%</td>
</tr>
<tr>
<td>Peluang untuk mendapatkan wang</td>
<td>62(68.1%)</td>
<td>29(31.9%)</td>
<td>100%</td>
</tr>
<tr>
<td>Peluang mendapatkan status/prestij</td>
<td>3(3.3%)</td>
<td>88(96.7%)</td>
<td>100%</td>
</tr>
</tbody>
</table>

Untuk melihat sebesar manakah aspek kewangan yang menjadi factor pendorong kepada usahawan, kajian untuk mendapati seramai 41 atau 45% telah menjadikan kegiatan HBB mereka sebagai punca utama pendapatan. Usahawan yang paling ramai menyatakan fajta tersebut adalah di kalangan usahawan lelaki berbanding wanita. Maklumat ini dapat dirujuk pada Jadual 4.

### Jadual 4: HBB sebagai Sumber Utama Pendapatan

![Diagram showing percentage of men and women as the main income source]

Kajian ini turut bermatlamat untuk memperolehi latarbelakang keluarga usahawan Ia berkaitan bagaimana usahawan mengurus keluarga dan dalam masa yang sama mengurus perniagaan yang dijalankan. Bahagian ini juga ingin diselidiki oleh pengkaji disebabkan kedua-dua perkara yakni keluarga dan perniagaan dijaankan di suatu persekitaran yang sama. Dalam hal ini kajian mendapati seramai 30 orang responden yang ditemui menyatakan bahawa urusan kerja rumah dilaksanakan oleh pasangan masing-masing terutamanya bagi usahawan lelaki. Maklumat berkenaan perkara ini yang diterangkan dalam Jadual 5 turut mendapati bahawa seramai 21 responden usahawan wanita menyatakan mereka merupakan individu utama yang bertanggungjawab melaksanakan kerja rumah di samping turut menjalankan kegiatan perniagaan mereka.
Jadual 5: Pelaksana Kerja Rumah

<table>
<thead>
<tr>
<th>Pelaksana kerja rumah</th>
<th>Jantina</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>lelaki</td>
<td>wanita</td>
<td>Total</td>
<td></td>
</tr>
<tr>
<td>usahawan</td>
<td>4</td>
<td>21</td>
<td>25</td>
<td></td>
</tr>
<tr>
<td>pasangan usahawan</td>
<td>19</td>
<td>11</td>
<td>30</td>
<td></td>
</tr>
<tr>
<td>bersama pasangan</td>
<td>6</td>
<td>6</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>bersama anak-anak</td>
<td>1</td>
<td>15</td>
<td>16</td>
<td></td>
</tr>
<tr>
<td>anak-anak</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>lain-lain</td>
<td>7</td>
<td>6</td>
<td>13</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>38</td>
<td>53</td>
<td>91</td>
<td></td>
</tr>
</tbody>
</table>

Jadual 6: Jenis Perniagaan.

<table>
<thead>
<tr>
<th>Jenis Perniagaan</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bengkel kereta/motor/basikal</td>
<td>4</td>
<td>4.4</td>
</tr>
<tr>
<td>Cuci kereta</td>
<td>2</td>
<td>2.2</td>
</tr>
<tr>
<td>Fotostat</td>
<td>1</td>
<td>1.1</td>
</tr>
<tr>
<td>Jahitan</td>
<td>9</td>
<td>9.9</td>
</tr>
<tr>
<td>Kosmetik wanita</td>
<td>2</td>
<td>2.2</td>
</tr>
<tr>
<td>Makanan</td>
<td>35</td>
<td>38.5</td>
</tr>
<tr>
<td>Menternak ayam</td>
<td>1</td>
<td>1.1</td>
</tr>
<tr>
<td>Minyak petrol &amp; diesel</td>
<td>2</td>
<td>2.2</td>
</tr>
<tr>
<td>Pakaian terpakai</td>
<td>1</td>
<td>1.1</td>
</tr>
<tr>
<td>Peruncitan</td>
<td>28</td>
<td>30.8</td>
</tr>
<tr>
<td>Tuisyen</td>
<td>2</td>
<td>2.2</td>
</tr>
<tr>
<td>Tukang rumah</td>
<td>4</td>
<td>4.4</td>
</tr>
<tr>
<td>Total</td>
<td>91</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Jadual 6 menunjukkan jenis-jenis perniagaan yang dijalankan kawasan kajian. Dapat mendapatkan jenis perniagaan yang paling ramai diusahakan ialah jenis perniagaan makanan iaitu sebanyak 39%, diikuti peruncitan sebesar 31% dan lain-lain. Pada Jadual 7 pula ditunjukkan sumber modal yang diperolehi oleh usahawan untuk membiayai perniagaan mereka. Dapat menunjukkan sebahagian besar iaitu 86% menyatakan sumber peribadi merupakan sumber utama pembiayaan perniagaan. Sebanyak 7% melaporkan mereka memperolehi pembiayaan menerusi pinjaman bank atau kerajaan.

Jadual 7: Sumber Modal Usahawan

<table>
<thead>
<tr>
<th>Sumber Modal</th>
<th>Ya</th>
<th>Tidak</th>
<th>Peratusan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Simpanan Peribadi</td>
<td>78 (85.7%)</td>
<td>13 (14.3%)</td>
<td>100%</td>
</tr>
<tr>
<td>Pasangan Usahawan</td>
<td>14 (15.4%)</td>
<td>77 (84.6%)</td>
<td>100%</td>
</tr>
<tr>
<td>Saudara mara Usahawan</td>
<td>4 (4.4%)</td>
<td>87 (95.6%)</td>
<td>100%</td>
</tr>
<tr>
<td>Rakan</td>
<td>1 (1.1%)</td>
<td>90 (98.9%)</td>
<td>100%</td>
</tr>
<tr>
<td>Pinjaman Bank</td>
<td>3 (3.3%)</td>
<td>88 (96.7%)</td>
<td>100%</td>
</tr>
<tr>
<td>Pinjaman/Bantuan Kerajaan</td>
<td>3 (3.3%)</td>
<td>88 (96.7%)</td>
<td>100%</td>
</tr>
</tbody>
</table>
Berdasarkan Jadual 8 seperti di bawah, kajian mendapati seramai 46 dari 91 orang responden telahpun menjalankan perniagaan selama 5 tahun dan ke bawah. Ini bermakna kumpulan ini mewakili lebih dari 50% responden kajian. Mankala 45 orang responden menyatakan bahawa mereka telahpun menjalankan perniagaan lebih dari 5 tahun.

**Jadual 8: Tahun Perniagaan**

<table>
<thead>
<tr>
<th>Tahun Perniagaan</th>
<th>Kekerapan</th>
<th>Peratus</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 hingga 5 tahun</td>
<td>46</td>
<td>50.5</td>
</tr>
<tr>
<td>6 hingga 10 tahun</td>
<td>21</td>
<td>23.1</td>
</tr>
<tr>
<td>11 hingga 15 tahun</td>
<td>13</td>
<td>14.3</td>
</tr>
<tr>
<td>16 hingga 20 tahun</td>
<td>9</td>
<td>9.9</td>
</tr>
<tr>
<td>21 hingga 25 tahun</td>
<td>1</td>
<td>1.1</td>
</tr>
<tr>
<td>26 hingga 30 tahun</td>
<td>1</td>
<td>1.1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>91</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Kajian juga mendapati hanya sebesar 46% responden yang ditemui menyatakan bahawa mereka mendaftarkan perniagaan yang mereka jalankan. Sebahagian besar responden kajian ini iaitu sebanyak 54% menyatakan mereka tidak mendaftarkan perniagaan yang dijalankan oleh mereka. Jadual 9 menunjukkan maklumat mengenai pendaftaran perniagaan usahawan.

**Jadual 9: Pendaftaran Perniagaan.**

<table>
<thead>
<tr>
<th>Pendaftaran</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>YA</td>
<td>46</td>
</tr>
<tr>
<td>TIDAK</td>
<td>54</td>
</tr>
</tbody>
</table>

Kajian mendapati sebahagian besar iaitu 47% tidak menggunakan pekerja dalam perniagaan yang dijalankan. Jenis perniagaan yang memerlukan tenaga kerja bagi membantu usahawan menjalankan perniagaan ialah cuci kereta (100%), bengkel kendaraan (50%), tukang rumah (50%), dan lain-lainnya. Maklumat lengkap mengenai penggunaan pekerja mengikut jenis perniagaan yang dijalankan dapat dirujuk pada Jadual 10.
KESIMPULAN DAN PERBINCANGAN.


Berdasarkan kepada dapatan kajian ini, adalah disarankan supaya pihak swasta dan terutamanya pihak kerajaan mengambil langkah dan tindakan yang sewajarnya untuk membantu usahawan yang terlibat dalam HBB. Bantuan yang diberikan bukan hanya setakat kewangan tetapi turut perlu meliputi khidmat nasihat, bantuan pemasaran dan perlonggaran peraturan perniagaan supaya dapat membantu golongan HBB ini mengembangkan perniagaan ke peringkat yang lebih besar.

Selain itu, kajian mengenai HBB ini perlulah dipertingkatkan dari semasa ke semasa sebagai usaha memahami persekitaran perniagaan ini yang turut dikategorikan sebagai perniagaan mikro. Kajian selanjutnya yang difikirkan penting ialah kajian yang dapat merangka satu plan tindakan yang dapat membantu pihak usahawan mengembangkan lagi perniagaan mereka. Selain itu, kajian yang dapat

---

**Jadual 10: Penggunaan Pekerja & Jenis Perniagaan.**

<table>
<thead>
<tr>
<th>Jenis Perniagaan</th>
<th>Penggunaan pekerja</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>bengkel bengkel</td>
<td>ya : 2, tidak : 2</td>
<td>Total : 4</td>
<td></td>
</tr>
<tr>
<td>kereta/motor/basikal</td>
<td>ya : 2, tidak : 2</td>
<td>Total : 4</td>
<td></td>
</tr>
<tr>
<td>cuci kereta</td>
<td>ya : 1, tidak : 1</td>
<td>Total : 2</td>
<td></td>
</tr>
<tr>
<td>fotostat</td>
<td>ya : 2, tidak : 2</td>
<td>Total : 4</td>
<td></td>
</tr>
<tr>
<td>jahitan</td>
<td>ya : 5, tidak : 9</td>
<td>Total : 14</td>
<td></td>
</tr>
<tr>
<td>kosmetik wanita</td>
<td>ya : 2, tidak : 2</td>
<td>Total : 4</td>
<td></td>
</tr>
<tr>
<td>makanan</td>
<td>ya : 18, tidak : 17</td>
<td>Total : 35</td>
<td></td>
</tr>
<tr>
<td>menternak ayam</td>
<td>ya : 1, tidak : 1</td>
<td>Total : 2</td>
<td></td>
</tr>
<tr>
<td>minyak petrol &amp; diesel</td>
<td>ya : 2, tidak : 2</td>
<td>Total : 4</td>
<td></td>
</tr>
<tr>
<td>pakaian terpakai</td>
<td>ya : 1, tidak : 1</td>
<td>Total : 2</td>
<td></td>
</tr>
<tr>
<td>peruncitan</td>
<td>ya : 12, tidak : 16</td>
<td>Total : 28</td>
<td></td>
</tr>
<tr>
<td>tuisyen</td>
<td>ya : 2, tidak : 2</td>
<td>Total : 4</td>
<td></td>
</tr>
<tr>
<td>tukang rumah</td>
<td>ya : 2, tidak : 2</td>
<td>Total : 4</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>44, 47</td>
<td>91</td>
<td></td>
</tr>
</tbody>
</table>
dapat menyediakan pelan tindakan yang tepat dan betul yang dapat dilakukan oleh pihak kerajaan untuk membantu golongan ini amatlah diharap dan dialu-alukan.

RUJUKAN


The Relationship between Wellness, Work Stress and Personality of Prison Warders

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Abstract

At prison, the frontline warders would continually confront both sustaining wellness and controlling strenuous stress at work. Prison warders’ wellness was irrefutable due to intense pressure conditions at the workplace that continuously faltered their wellness. Gradual wellness fluctuation due to excessive stress would severely tarnish performance of prison warders and prison department. Nevertheless, their personality played an important role in conserving their wellness level despite continuous overrun of stress during work. Therefore this paper elaborated on prison warders’ personality and work stress in order to maintain their wellness at work. This research examined the relationship between prison warders’ wellness, their personality and work stress in Prison Department of Malaysia. Pertinent question of the study was to look at influence of prison warders’ personality and work stress on their wellness degree. These findings were significant since prison warders’ wellness, their personality and work stress remained loose issue particularly in Malaysia. Findings revealed that personality and work stress influenced prison warders’ wellness.

Keyword: prison warders, wellness, stress, personality

INTRODUCTION

In recent years, more professionals, organizations and industry were more responsive and perceptive of employee wellness issues. The relationship between employee wellness and their performance also caught the interest of those dealing with high risk at work specifically frontline prison warders.

Being a wage earner as prison employee was dreadfully challenging and stressful since constant work stress due to routine tribulations might taint and damage prison warders’ health and wellbeing in long term. In actual, threat of inmate violence against prison warders, actual violence committed by inmates, threat of assault, inmate demands and manipulation and problems with coworkers were among conditions that warders reported in recent years causing cause stress and deplete wellness (Senol-Durak, Durak and Gencoz, 2006). These factors, combined with other sources of stress such as overcrowded prisons, intercultural conflicts, violent within the prisons, drug use, inadequate prison staff, shift work, staff with training deficits, understaffing, extensive overtime, rotating shift work, low pay and poor public image, could impair warders’ health, caused them to burn out or retire prematurely, and impaired their family life and affected the organization (Senol-Durak, Durak and Gencoz, 2006).
Not only the increasing absence rate due to illness was irrefutable constraint but also problems such as burnout, substance abuse, internal depression and inability to cope with traumatic experiences of daily work often lead to early retirement or retirement with physical or mental problems. Since prison warders’ wellness and work stress in high-risk environment are two interrelated issues, it is important to accentuate wellness among prison warders in order to guarantee effective prison service that entails long-term benefit to the society. Nevertheless, some warders were still committed in their work, until they reached their set pension date. Such warders showed intense focus and high levels of enthusiasm that expectedly boosted their level of wellness. This was because they possessed certain personality trait that caused happiness instead of illness and motivated them to stay on. Regardless of the situation, prison warders’ wellness and illness worked “shoulder-to-shoulder” throughout prison warders’ struggle to maintain their sanity despite working in highly strenuous prison environment. Regrettably, despite these statements, most psychologists and criminologists study in prison issues focused almost exclusively on offenders (Senol-Durak, Durak and Gencoz, 2006) instead of prison warders.

However, beginning in the late 1970s, there was a series of studies investigating employees who worked in the field of corrections. Most research explored how prison or prison workers viewed and reacted to their jobs, especially in terms of work stress, job satisfaction, and prison orientation (Britton, 1997; Cullen, Latessa, Burton, and Lombardo, 1993; Karasek and Theorell, 1990). Latest pertinent studies also validated on prison warders’ poor health due to high level of stress and anxiety (Senol-Durak, Durak and Gencoz, 2006, Sundt and Cullen, 2002). Since previous research and subjective evidences highlighted on the massive effect of work stress on prison warders this might seriously retard or cause prison warders’ mental health to deplete unservingly (Senol-Durak, Durak and Gencoz, 2006; Pfeffer, 2010; Purcell, Kinnie, Hutchinson, Rayton and Swart, 2003). Viewing these conditions, therefore, it is crucial for the prison department administrators to pursue into this matter. Regrettably, research on prison warders’ wellness, their personality and their work stress are nonetheless quite scanty in Malaysia.

Several local studies conducted in prison facilities focused on incarcerated individuals such as imprisoned drug addicts, HIV sufferers in prison, female inmates, felon awaiting for delinquents, detainees under ISA act (Internal Security Act) viewing from pathological perspectives (Karofi, 2005; Yik 2006; Mazlan, Mat Saat and Ahmad, 2010; Choi, Kavasery, Desai, Govindasamy, Kamarulzaman, and Altice, 2010) but insufficient research are pursued on prison warders. Therefore, this study aimed to fill up the literature gap in prison study specifically on prison warders’ health and wellbeing, their work stress and personality traits. Hopefully, the literature and empirical findings of prison warders’ wellness, their personality and work stress would initiate future study of the keepers. The objectives of the study were:

1. To investigate the correlation between prison warders’ wellness, work stress dimensions and personality domains.
2. To examine the influence of work stress dimensions and personality domains on prison warders’ wellness.

RESEARCH METHOD

Participants

The required respondents sample for the populations of 4,783 (8 locations) was between 354 and 356 (Krejcie and Morgan, 1970). In tandem, Nunnally (1978) advised appropriate sampling calculation should be subjected to the measured construct variable (in this research, parceled items) of 10:1. Meanwhile McMillan (2004) suggested the rate of return should be at least at 60%. Considering all suggestions, the authors settled for the usable returned questionnaires amount because it was between the recommended sample size and also suitable for item parceling purposes. The returned
questionnaires were totaled at 570 whilst usable returned questionnaires were at 417. The sample size had satisfied the proposed minimum by Krejcie and Morgan (1970) and Nunnally (1978). This indicated acceptable returned questionnaires were at 62.68% and had met the suggested rate (McMillan, 2004). The questionnaire was completed by front line prison warders as selected respondents (n=417; mean age 33 years).

**Instruments**

Three instruments (using likert-type formatted scales) were incorporated to establish an appropriate questionnaire for the study; the 5F-WEL (91 items) (Myers and Sweeney, 2004), the Five Factor Personality Inventory (60 items) (Costa and McCrae, 1992) and the Work Stress Scale for Prison Warders (35 items) (Senol-Durak, Durak and Gencoz, 2006).

**Statistical Analyses : Correlation and Regression Analyses**

The researchers attempted to examine the relationship of work stress dimensions, personality domains and wellness through Pearson product-moment correlation coefficient and Stepwise Regression as statistical tools.

**RESULTS AND DISCUSSIONS**

**Demographic Information**

Respondents consisted of 417 prison warders (of 233 male and 184 female; 56% and 44% respectively). This sample reflected real situation of prison warders population where majority were male dominated. Most female prison warders were at Kajang Female Prison. This sample also reflected true populace of the profession where it was dominated by Malay ethnic (94.24%). Mean age of respondents was at 33 years. 284 respondents worked 10 years and below. Another 31.8% respondents served the department between 11 to 30 years.

**Reliability Analysis**

In this study, the cronbach alpha values of 5F-Wel, NEO FFI and WSSCO instruments were .90, .90 and .89 respectively, indicating acceptable values. Cronbach’s alpha coefficient for each measurement battery was adequate. However, two dimensions of Work Stress Scale for Prison Warders scale namely Work Overload and Inadequacies in Physical Conditions of Prison revealed cronbach’s alpha value of .614 and .602 respectively and two personality domains, extraversion and openness revealed cronbach value of .646 and .670 respectively. Albeit low alpha values, they were still acceptable (Sekaran, 2000).

**Factor Analysis**

Exploratory factor analyses were performed on the measurement instruments for the purpose of investigating the factor structure of the measurement battery as well as to objectively trace natural groupings of factors (Suhr, 2006). By performing exploratory factor analysis (EFA), the number of constructs and the underlying factor structure were identified. Since this was the first time 5F-WEL and WSSCO were adapted into Malay language and were tested in Malaysia, exploratory factor analyses (EFA) were performed to investigate the factorial validity of the translated instrument measurements (Suhr, 2006). Through EFA, the underlying factor structures of three measurement
instruments were identified. Factor analyses results revealed that the measurement instruments fitted well with this study.

RESULTS AND DISCUSSIONS

Correlation between Wellness, Work Stress and Personality Characters of Prison Warders.

Hypothesis 1 There is a relationship between frontline prison warders’ wellness, work stress (role conflict and role ambiguity, work overload, inadequacies in physical conditions in prison, threat perception and general problems) and personality (neuroticism, openness to experience, extraversion, agreeableness and conscientiousness).

Table I Correlation Analysis

<table>
<thead>
<tr>
<th>Construct / Dimensions / Domains</th>
<th>Wellness</th>
<th>Pearson Correlation</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work Stress (Construct)</td>
<td></td>
<td>-.132*</td>
<td>.007</td>
</tr>
<tr>
<td>Dimensions:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Role Conflict</td>
<td>-.112*</td>
<td>.004</td>
<td></td>
</tr>
<tr>
<td>Role Ambiguity</td>
<td>-.043</td>
<td>.381</td>
<td></td>
</tr>
<tr>
<td>Inadequacies in Physical Conditions in Prison</td>
<td>-.164</td>
<td>.001</td>
<td></td>
</tr>
<tr>
<td>Threat Perceptions</td>
<td>-.060</td>
<td>.221</td>
<td></td>
</tr>
<tr>
<td>Work Overload</td>
<td>-.187**</td>
<td>.007</td>
<td></td>
</tr>
<tr>
<td>General Problem</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personality (Construct)</td>
<td>-.215**</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td>Domains:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Openness</td>
<td>-.079</td>
<td>.107</td>
<td></td>
</tr>
<tr>
<td>Agreeableness</td>
<td>-.104*</td>
<td>.034</td>
<td></td>
</tr>
<tr>
<td>Extraversion</td>
<td>.063</td>
<td>.198</td>
<td></td>
</tr>
<tr>
<td>Conscientiousness</td>
<td>.161**</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td>Neuroticism</td>
<td>-.062</td>
<td>.206</td>
<td></td>
</tr>
</tbody>
</table>

The results of Pearson correlation (r) between work stress, personality and wellness are highlighted in Table I. Wellness construct was significantly negative correlated with work stress at r = -.132 and personality at r = -.215. Therefore Hypothesis 1 was substantiated. There was similarity of results compared to previous research. This findings confirmed previous studies on the negative relation and impact of work stress on employee health and wellbeing (Senol-Durak, Durak and Gencoz, 2006; Pfeffer, 2010; Purcell, Kinnie, Hutchinson, Rayton and Swart, 2003). The present study also supported Kropp, Cox, Roesch and Eaves’ (1989) study where they revealed the mentally disordered inmates as the main source of prison warders increasing stress (90%) causing them exhausting health and mental wellbeing.

In particular work stress dimensions namely role conflict and role ambiguity, threat perception and general problems were significantly negative related with the warders’ wellness. First and foremost, the findings indicated that prison warders’ perception of threat issues (such as risk of being involved in arguments and fights with prison inmates and the need to be cautious all the time) were significantly related to their wellness at work. This discovery supported previous research that cited prison warders’ perceived threat of inmate violence as the major cause of stress at work and cause depleting health and wellbeing (Finn, 2000; Senol-Durak, Durak and Gencoz, 2006).

Next, these warders’ general problems such as health problems due to the nature of work, not having enough quality time with family due to work, ignoring the needs of family due to work which were related to prison warders’ wellness (Senol-Durak, Durak and Gencoz, 2006). Eventually these problems drained off prison warders’ health and wellbeing. Low salary to compensate with the high risk working in prison also caused stress (Senol-Durak, Durak and Gencoz, 2006). These warders wellness were also related to their role conflict and role ambiguity at work especially during the transition period from pure custodial-oriented to rehabilitative-oriented. Role conflict occurred when
prison warders’ custodial responsibility (maintaining security) collided with the rehabilitation of inmates in prison. Role ambiguity occurred when prison warders were expected to go by the rules and at the same time be flexible and used judgment in their interactions with inmates. In this case, these warders were often engulfed by multiplicity of job demands, role, responsibilities and array of duties that implicated ambiguous job role resulting work stress. Prolong situation caused high strain and impairment; thus causing deteriorating prison warders’ wellness (Young & Lambie, 2007, Senol-Durak, Durak and Gencoz, 2006).

As for the relation between personality and wellness, there was similarity and contradictory findings compared to previous research findings. Although contradicting to the personality of general population, yet this finding corresponded with previous researches particularly on the correlation between personality traits and individual’s health and wellbeing (Booth-Kewley and Vickers, 1994). The similarity was on the positive correlation between wellness and conscientiousness that supported previous findings. According to Salgado (1997), an extent amount of research indicated that conscientiousness was among the best predictors of performance at work. Whilst Booth-Kewley and Vickers (1994) claimed that personality particularly conscientiousness and agreeableness had positive relation with health behavior. Traits under conscientiousness domain such as cautiousness, dutifulness, orderliness, self discipline were among the essentials to prison warders’ wellness and performance. These traits ensured them to excel despite of strenuous working conditions in prison.

Meanwhile contradicting to previous findings, this finding revealed agreeableness was negatively correlated to wellness. The ground for negative correlation result was also mainly due to the strenuous working conditions in prison. At work, they were frequently vulnerable to inmate violence and aggression. Under major apprehension, they were assumed to be decisive in brief periods of time. They were also publicly and internally scrutinized for the choices and actions they took at work. Additionally, their jobs required shift work, long hours, and attention to strict organizational guidelines. Therefore, to effectively adjust with their kind of work, these warders had to adjust their personality at work. They restrained themselves from showing their true emotions and conduct themselves according to the nature of their work. Once they were at work, they were a different person due to the exigency of the nature of their work that differed from the usual.

Agreeableness personality traits such as trust, sympathy, altruism and morality were impractical in conditions that required tough or absolute objective decisions especially when they were attending the prison inmates (Mitchell & Bray, 1990). In reality, due to the nature of their work, they were low in trust, more guarded and not affected strongly by human suffering. This study had demonstrated agreeableness (although negatively correlated) and conscientiousness as relevant to wellness behavior; and supported Conway, Vickers, Wallston and Costa Jr. (1992) remark on extraversion, agreeableness and conscientiousness as three most important elements of personality in predicting health behavior (in this circumstance wellness).

**The Influence of Work Stress and Personality on Prison Warders’ Wellness**

Hipotesis 3 Frontline prison warders’ work stress and their personality significantly influence their wellness.

Multiple regression analysis on five dimensions of both prison warders’ work stress and personality was performed. The $R^2$ indicated the percentage of variance in the prison warders’ wellness was explained by their work stress and personality. Percentage of variance explained in frontline prison warders’ wellness was significant at 11.0 percent; explained by five independent variables which are conscientiousness, threat perception, agreeableness, openness to experience and role conflict and role ambiguity respectively. Therefore Hipotesis 3 was substantiated.

Prison warders who worked under strenuous condition embraced positive conscientiousness characters (dutiful, cautious, organized and self control), negative agreeableness characters (Peabody & De Raad, 2002; Saucier & Ostendorf, 1999) and negative openness to experience characters to ensure they
maintained their wellness at work. Apparent display of prison warders’ perception of threat and their experience of role conflict and role ambiguity at work also triggered their wellness to deplete. Glaring reason of the results was due to secluded prison condition and prison culture. The custodial and rehabilitative-oriented service rendered towards the prison inmates had demanded prison warders to strongly adopt conscientiousness character (dutifulness and dependable), the differing side of agreeableness (being suspicious and uncooperative to the demand of prison inmates) and disparate character of openness to experience (more guarded, low in trust, and change resistant) so that they would be able to control their stress at work specifically their perception of threat and their experience of role conflict and role ambiguity. Eventually, both work stress and personality components worked together to guarantee and maintained prison offices’ wellness at work.

Table II  Regression Analysis

<table>
<thead>
<tr>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>21.773</td>
<td>.000</td>
</tr>
<tr>
<td>Conscientiousness</td>
<td>.263</td>
<td>4.983</td>
</tr>
<tr>
<td>Threat Perception</td>
<td>-.225</td>
<td>4.074</td>
</tr>
<tr>
<td>Agreeableness</td>
<td>-.270</td>
<td>4.165</td>
</tr>
<tr>
<td>Openness</td>
<td>-.134</td>
<td>-2.162</td>
</tr>
<tr>
<td>Role Conflict Ambiguity</td>
<td>-.115</td>
<td>-2.059</td>
</tr>
<tr>
<td>R value</td>
<td>.331</td>
<td>F Value = 10.081</td>
</tr>
<tr>
<td>R² Value</td>
<td>.109</td>
<td>Sig F Change = .000</td>
</tr>
</tbody>
</table>

CONCLUSIONS

This research demonstrated the relationship and influence of prison warders’ personality and work stress on their health and wellbeing that ultimately have an effect on their performance. Based on the findings, work stress dimensions namely role ambiguity and role conflicts and threat perception correlated and influenced wellness. Meanwhile, personality characters which were agreeableness, conscientiousness and openness to experience influenced wellness. To conclude, work stress at work and individual health and well-being appear to be closely intertwined. Whereas an acceptable work stress can bring good things to an organization, it also hurts health and well-being especially when it lingers on, when passivity and withdrawal dominate the way people cope with stress, and when socio-emotional and relationship issues are at stake causing depleting individual and organisational performance. Therefore these issues cannot be ignored. Once these issues were established, proper practical suggestions could be forwarded; to ensure these warders were well prepared. Any indication of poor health and low levels of well-being in the work place may be taken as a signal that high stress amongst frontline prison warders lingers on and need to be addressed.

ACKNOWLEDGEMENT

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References

health behavior. *Personality, 62*(3), 281-298


Entrepreneurial Spirit and Self-efficacy as Key Factors for Technology Entrepreneur New Venture Creation

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ABSTRACT

Technology entrepreneur new venture creation (TENVC) plays an important role in developing and commercializing technologies worldwide. Yet, one of the critical and on-going debates is between the paradigm shifts from trait approach to the behavioral approach which emerge from what successful entrepreneurs do and how they perform, rather than what their personality traits. Therefore, the purpose of this research is to study both entrepreneurial spirit and self-efficacy as key factors for TENVC. Mixed methods research was employed combining quantitative and qualitative approach. The samples were chosen based on convenience sampling for quantitative study and judgment sampling for qualitative study. The finding shows that both entrepreneurial spirit and self-efficacy are correspondingly important for TENVC among technical students and IHLs. There is only small different value of their positive significant relationship lead by self-efficacy compared to entrepreneurial spirit with $r=.005$ and $r=.004$ for both TENVC of technical students and current status of TENVC in IHLs. This finding is convergent with the outcome from the case study analysis that both factors are among the key indicators for TENVC of technical student and the current status of TENVC in IHLs. The technology entrepreneur development organizations (TEDO) may utilize this result in developing TENVC in their institution.

Key words: Entrepreneurship, Technology entrepreneurship, Technology entrepreneur new venture creation, Technical student, Young technical graduate.

1.0 BACKGROUND OF THE RESEARCH CONTEXT

Previous researchers have been inconsistent in their definitions of entrepreneurship and entrepreneur (Brockhaus and Horwitz, 1986; Gartner, 1989). Over time, definition of entrepreneurship stressing the characteristic traits or qualities supposedly possessed by entrepreneur (Kaufmann and Dant, 1998), some writers have identified entrepreneurship with the function of uncertainty-bearing, others with the coordination of productive resources, also others with the introduction of innovation, and still others with the provision of capital (Hoselitz, 1952). Even though the earlier focus of entrepreneurship research was on the personality traits, but in the modern notion, there has been no typical entrepreneur, who has become the driving force to focus on the activities of the entrepreneur or on the entrepreneurial process (Lotz, 2006).

In general, the trait approach is based on the principle that entrepreneurs are different from non-entrepreneurs. Brockhaus (1982), Carland et al. (1984), and Milner (1990) have all searched for the elusive set of personality-based approach focuses on the personality of the entrepreneur. Entrepreneurial spirit has been previously discussed by many researchers as part of personal trait and a gift that inspires people with passion, positiveness, leadership and ambition to become the best they can be (Pierce, 2008). According to Hatch and Zweig (2000), entrepreneurial spirit is the embodiment of a collection of personal traits that most. Indeed, some traits were more predominant in some than in others. It is propelled or motivated individuals to incur great personal risk, to abandon their jobs and
to start their own businesses as well as encourages self-pride and recognition for each individual’s contribution to a corporate end product (Gatty, 2013).

Accordingly, behavioral approach has been taken by Gartner (1989), Timmons and Spinelli (2009), and Kuratko and Hodgetts (2006) in the study of entrepreneurial process and the activities of the entrepreneur. Southon and West (2005), defined entrepreneurs are very special people, who are born optimists, confident, charismatic, and ambitious, obsessed with work, in a hurry and have bags of energy. This definition relates the principal that self-efficacy is a capacity and belief in one's ability to successfully perform a particular behavior or task (Cassidy and Eachus, 1998). Bandura (1994) defines self-efficacy as a belief in one's capabilities to organize and execute the course of action required to attain a goal as well as capabilities to produce designated levels of performance that exercise influence over events that affect their lives. A person with high self-efficacy are more willing to expend effort and choose to perform more challenging tasks and show more persistence in the face of obstacles (Bandura, 1997). Boyd and Vozikiss (1994) argue that self-efficacy is an important explanatory variable that determines both strength of entrepreneurial intentions as well as the likelihood that those intentions will translate into entrepreneurial actions.

Hence, similar to born or made debates issue of entrepreneur, the driving force issues concerning trait or behavioral approach as the key factors for TENVC also has become one of the critical and on-going debates among the researchers in entrepreneurship area. Therefore, the purpose of this research is to study both entrepreneurial spirit and self-efficacy as key factors for TENVC. This purpose is supporting by two main objectives i.e.

i. To study the important of both trait factor i.e. entrepreneurial spirit and behavioral factor i.e. self-efficacy to the TENVC of young technical graduate (YTG); and

ii. To study the influence of this factors to the current status of TENVC in IHLs

There are Four (4) research hypotheses in this study i.e.

H1: entrepreneurial spirit is more likely to influence the TENVC among technical student.
H2: Self-efficacy is more likely to influence the TENVC among technical student.
H3: entrepreneurial spirit is more likely to influence the current status of TENVC in IHLs.
H4: Self-efficacy is more likely to influence the current status of TENVC in IHLs.

The research analyzed base on respondents’ perception. The study has been conducted among undergraduate technical student (UGTS), young technical graduate (YTG), and key informants of TEDO from IHLs and venture capitalists.

2.0 RESEARCH METHODOLOGY

According to Yin (1994) quantitative approach is strong and justified in measuring variables however fails to ascertain deeper underlying meaning and explanation of built environment. On the other hand, qualitative research is concern with understanding, interpreting, describing particular phenomena (Morse and Field, 1995), which little is yet known (Strauss and Corbin, 1990). There is strong suggestion from the research community that both quantitative and qualitative, are best thought of as complementary and should therefore be mixed since some researchers believe that qualitative and quantitative research can be effectively combined in the same research project (Strauss and Corbin, 1990; Patton, 1990; Russex and Weinberg, 1993).

As the above mentioned, it is clear that qualitative methods are best at gaining access to the subjective aspects of individuals and groups, whereas quantitative methods are best for collecting clear, rigorous, and reliable collections of data for testing empirical hypotheses. Therefore, mixed methods strategies were used to meet the objectives of the study. Several data collection methods used for the research includes; (1) questionnaires survey; (2) semi structure interview; and (3) documentations review. By
using the mixed method research strategy, the researchers move from blending the theoretical and empirical study to quantitative and to qualitative study. The rational of adopting the mixed strategy is that its instruments can sharpen the clarity of results, strengthen the validity of findings, and enhance the credibility of conclusions (Berg, 2007; Bogdan, 2007; Golafshani, 2003; Paulien, Nico, and Douwe, 2002; Johnson and Gill, 1991), and also improve the ability of researchers to draw conclusions from the studies and might result in a more robust and generalizable set of findings (Jack and Raturi, 2006). In term of data collection tools, the researchers practice the common instrument used by previous researchers which are: questionnaire survey, interview and documentation review for data collection method. The samples were chosen based on convenience sampling for quantitative study i.e. UGTS, PTES, and YTG; and judgment sampling for qualitative study i.e. TEDO key informants and venture capitalist.

This research is conducted in three stages. The first stage involves informal interview and literature review to develop the problem statement, research objective, and hypothesis and sample selection. In the second stage, direct distribution of the questionnaire survey and electronic questionnaire survey (EQS) methods were used. After the pilot test and modification, the final questionnaire surveys were developed in MS Words for direct distribution and “SurveyShare” software for the EQS. In the third stage, semi structured interview was adopted to provide deepness to the research study. Completing in-depth interview analysis, the researcher also took on the documentation review method especially to investigate the current status of TENVC of selected IHLs in the case study.

3.0 DATA ANALYSIS

For the convenience samples, database for respondents was compiled from registered technical students who were enrolled for the Information Systems, Computer Science, Software Engineering, Multimedia and Network, Electrical & Electronic, and Communications courses over a period of one semester to final semester of the study. The data of the samples size were gain from multi resources i.e. lectures who teach the related course; and IHLs or school official websites. Throughout this process, a list of 2534 registered technical student from 12 Malaysian IHLs, and a list of 684 technical students from 6 universities in developed countries i.e. UK and USA were identified. Of these, 1837 persons had no contact detail from all database and could not be contacted e-mail or home mailing address. Table 1 shows the total convenience sample size of the UGTS. Profile of respondents is shown in Table 2, while the current status of TENVC among respondents and their current study level is shown in Table 3.

<table>
<thead>
<tr>
<th>No</th>
<th>Name of IHLs</th>
<th>Total Sample Size</th>
<th>Sample With No Contact Details</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No of Sample</td>
<td>Total sample size</td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>Universiti Utara Malaysia (UUM)</td>
<td>257</td>
<td>122</td>
</tr>
<tr>
<td>2.</td>
<td>Universiti Malaya (UM)</td>
<td>262</td>
<td>188</td>
</tr>
<tr>
<td>3.</td>
<td>Universiti Kebangsaan Malaysia (UKM)</td>
<td>238</td>
<td>174</td>
</tr>
<tr>
<td>4.</td>
<td>Universiti Teknologi Malaysia (UTM)</td>
<td>286</td>
<td>153</td>
</tr>
<tr>
<td>5.</td>
<td>Universiti Sains Malaysia (USM)</td>
<td>183</td>
<td>72</td>
</tr>
<tr>
<td>6.</td>
<td>Universiti Tun Hussein Onn Malaysia (UTHM)</td>
<td>170</td>
<td>119</td>
</tr>
<tr>
<td>7.</td>
<td>Universiti Teknikal Malaysia Melaka (UTeM)</td>
<td>211</td>
<td>165</td>
</tr>
<tr>
<td>8.</td>
<td>Universiti Malaysia Perlis (UniMAP)</td>
<td>296</td>
<td>114</td>
</tr>
<tr>
<td>9.</td>
<td>Universiti Kuala Lumpur (UniKL)</td>
<td>164</td>
<td>84</td>
</tr>
<tr>
<td>10.</td>
<td>Universiti Malaysia Kelantan (UMK)</td>
<td>179</td>
<td>87</td>
</tr>
<tr>
<td>11.</td>
<td>Universiti Sains dan Teknologi Malaysia (MUST)</td>
<td>177</td>
<td>97</td>
</tr>
<tr>
<td>12.</td>
<td>Universiti Multimedia (MMU)</td>
<td>211</td>
<td>126</td>
</tr>
<tr>
<td>13.</td>
<td>University of Cambridge (UC)</td>
<td>137</td>
<td>57</td>
</tr>
<tr>
<td>14.</td>
<td>University of Edinburgh (UE)</td>
<td>86</td>
<td>41</td>
</tr>
</tbody>
</table>
Result on hypothesis testing suggested that Pearson correlation coefficient for entrepreneurial spirit positively and significantly correlated to TENVC level of UGTS ($r=.394, p=.00$) and ($r=.572, p=.00$) for the current status of TENVC in IHLs. This means that the null hypothesis of no significant relationship is rejected. On the influence of self-efficacy to the TENVC level of UGTS, the Pearson correlation coefficient shows at ($r=.345, p=.003$), while ($r=.548, p=.000$) for current status of TENVC in IHLs. The result suggests that there is a significant and positive relationship between self-efficacy and TENVC level of UGTS and current status of TENVC in IHLs. So, the null hypothesis is also rejected.

---

**Table 2: Profile of respondents**

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>No. of Response</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gender</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>1086</td>
<td>53.87</td>
</tr>
<tr>
<td>Female</td>
<td>930</td>
<td>46.13</td>
</tr>
<tr>
<td><strong>Total Number of Respondents</strong></td>
<td>2016</td>
<td>100.00</td>
</tr>
<tr>
<td><strong>Age Group</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>22-25</td>
<td>1712</td>
<td>84.92</td>
</tr>
<tr>
<td>26-30</td>
<td>247</td>
<td>12.25</td>
</tr>
<tr>
<td>31-35</td>
<td>39</td>
<td>1.94</td>
</tr>
<tr>
<td>36-40</td>
<td>18</td>
<td>0.89</td>
</tr>
<tr>
<td><strong>Total Number of Respondents</strong></td>
<td>2016</td>
<td>100.00</td>
</tr>
<tr>
<td><strong>Education Fields</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Information Systems</td>
<td>311</td>
<td>15.43</td>
</tr>
<tr>
<td>Computer Science</td>
<td>224</td>
<td>11.11</td>
</tr>
<tr>
<td>Software Engineering</td>
<td>327</td>
<td>16.22</td>
</tr>
<tr>
<td>Multimedia</td>
<td>348</td>
<td>17.26</td>
</tr>
<tr>
<td>Network</td>
<td>211</td>
<td>10.47</td>
</tr>
<tr>
<td>Electrical &amp; Electronic</td>
<td>268</td>
<td>13.29</td>
</tr>
<tr>
<td>Communication</td>
<td>223</td>
<td>11.06</td>
</tr>
<tr>
<td>Other</td>
<td>74</td>
<td>3.76</td>
</tr>
<tr>
<td><strong>Total Number of Respondents</strong></td>
<td>1986</td>
<td>98.51</td>
</tr>
<tr>
<td><strong>Missing System/ No respond</strong></td>
<td>30</td>
<td>1.49</td>
</tr>
</tbody>
</table>

**Table 3: Status of TENVC among respondents and their current study**

<table>
<thead>
<tr>
<th>TENVC Current Status/Semester</th>
<th>Sem. 1 &amp; 2</th>
<th>Sem. 3 &amp; 4</th>
<th>Sem. 5 &amp; 6</th>
<th>Sem. 7 &amp; above</th>
<th>No. of Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>S0</td>
<td>533</td>
<td>157</td>
<td>79</td>
<td>13</td>
<td>782</td>
</tr>
<tr>
<td>S1</td>
<td>241</td>
<td>122</td>
<td>94</td>
<td>19</td>
<td>496</td>
</tr>
<tr>
<td>S2</td>
<td>27</td>
<td>259</td>
<td>276</td>
<td>28</td>
<td>590</td>
</tr>
<tr>
<td>S3</td>
<td>4</td>
<td>23</td>
<td>145</td>
<td>41</td>
<td>213</td>
</tr>
<tr>
<td>S4</td>
<td>3</td>
<td>16</td>
<td>32</td>
<td>51</td>
<td></td>
</tr>
</tbody>
</table>

Result on hypothesis testing suggested that Pearson correlation coefficient for entrepreneurial spirit positively and significantly correlated to TENVC level of UGTS ($r=.394, p=.00$) and ($r=.572, p=.00$) for the current status of TENVC in IHLs. This means that the null hypothesis of no significant relationship is rejected. On the influence of self-efficacy to the TENVC level of UGTS, the Pearson correlation coefficient shows at ($r=.345, p=.003$), while ($r=.548, p=.000$) for current status of TENVC in IHLs. The result suggests that there is a significant and positive relationship between self-efficacy and TENVC level of UGTS and current status of TENVC in IHLs. So, the null hypothesis is also rejected.
Table 5: Pearson correlation between personal qualities and TENVC at IHLs

<table>
<thead>
<tr>
<th>Independent Variable</th>
<th>Dependent Variable</th>
<th>Respondents Qualities – HTV Level</th>
<th>Current Status of TEDO – HTV Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entrepreneurial Spirit</td>
<td>Pearson Correlation Sig. (2-tailed)</td>
<td>.394(**)</td>
<td>.572(**)</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>Self- Efficacy</td>
<td>Pearson Correlation Sig. (2-tailed)</td>
<td>.399(**)</td>
<td>.576(**)</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>.000</td>
<td>.000</td>
</tr>
</tbody>
</table>

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

The following Table 6 and Table 7 are the entrepreneurial spirit and the self-efficacy clusters that are significantly and positively correlated with HTV level of UGTS in IHLs.

Table 6: Entrepreneurial spirit cluster and it correlation with TENVC Level of UGTS

<table>
<thead>
<tr>
<th>Independent Variable Self-Efficacy of Respondents</th>
<th>Dependent Variable</th>
<th>Independent Variable TEDO Current Status</th>
<th>Dependent Variable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ready for challenges</td>
<td>Pearson Correlation Sig. (2-tailed)</td>
<td>Ready for challenges Pearson Correlation Sig. (2-tailed)</td>
<td>.326(**)</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>N</td>
<td>.000</td>
</tr>
<tr>
<td>Tolerance of risk</td>
<td>Pearson Correlation Sig. (2-tailed)</td>
<td>Tolerance of risk Pearson Correlation Sig. (2-tailed)</td>
<td>.274(*)</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>N</td>
<td>.007</td>
</tr>
<tr>
<td>Desire for control</td>
<td>Pearson Correlation Sig. (2-tailed)</td>
<td>Desire for control Pearson Correlation Sig. (2-tailed)</td>
<td>.288(*)</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>N</td>
<td>.002</td>
</tr>
<tr>
<td>Desire to succeed</td>
<td>Pearson Correlation Sig. (2-tailed)</td>
<td>Desire to succeed Pearson Correlation Sig. (2-tailed)</td>
<td>.569(**)</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>N</td>
<td>.000</td>
</tr>
<tr>
<td>Perseverance</td>
<td>Pearson Correlation Sig. (2-tailed)</td>
<td>Perseverance Pearson Correlation Sig. (2-tailed)</td>
<td>.491(**)</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>N</td>
<td>.000</td>
</tr>
<tr>
<td>Decisiveness</td>
<td>Pearson Correlation Sig. (2-tailed)</td>
<td>Decisiveness Pearson Correlation Sig. (2-tailed)</td>
<td>.413(**)</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>N</td>
<td>.000</td>
</tr>
</tbody>
</table>

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

Table 7: Self-efficacy cluster and it correlation with HTV Level of UGTS

<table>
<thead>
<tr>
<th>Independent Variable Self-Efficacy of Respondents</th>
<th>Dependent Variable</th>
<th>Independent Variable TEDO Current Status</th>
<th>Dependent Variable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opportunity Obsession</td>
<td>Pearson Correlation Sig. (2-tailed)</td>
<td>Opportunity Obsession Pearson Correlation Sig. (2-tailed)</td>
<td>.368(**)</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>N</td>
<td>.000</td>
</tr>
<tr>
<td>Motivation to Excel</td>
<td>Pearson Correlation Sig. (2-tailed)</td>
<td>Motivation to Excel Pearson Correlation Sig. (2-tailed)</td>
<td>.373(**)</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>N</td>
<td>.003</td>
</tr>
<tr>
<td>Commitment</td>
<td>Pearson Correlation Sig. (2-tailed)</td>
<td>Desire for control Pearson Correlation Sig. (2-tailed)</td>
<td>.448(**)</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>N</td>
<td>.002</td>
</tr>
<tr>
<td>Creativity</td>
<td>Pearson Correlation Sig. (2-tailed)</td>
<td>Creativity Pearson Correlation Sig. (2-tailed)</td>
<td>.378(**)</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>N</td>
<td>.000</td>
</tr>
<tr>
<td>Self-reliant</td>
<td>Pearson Correlation Sig. (2-tailed)</td>
<td>Self-reliant Pearson Correlation Sig. (2-tailed)</td>
<td>.418(**)</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>N</td>
<td>.000</td>
</tr>
<tr>
<td>Ability to Adapt</td>
<td>Pearson Correlation Sig. (2-tailed)</td>
<td>Ability to Adapt Pearson Correlation Sig. (2-tailed)</td>
<td>.388(**)</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>N</td>
<td>.001</td>
</tr>
</tbody>
</table>

554
On the other hand, judgment sampling was used as a method to go through in-depth interview for qualitative study. This method was chosen since only specific respondents or key informers (KI) that could provide the information needed. Four (4) Malaysian IHLs, and Six (6) IHLs in developed countries that have been selected as sample frame for this research includes UC, UE, and SHU from UK; and MIT-Sloan, UCB, and UF from USA. On top of that, judgment sampling also has been used to access to the data and information from Four (4) venture capitalists. The judgment sampling and key informant feedback is shown in Table 8.

### Table 9: key informants in-depth interview on entrepreneurial spirit and self-efficacy as key factors for TENVC.

<table>
<thead>
<tr>
<th>Judgement Sampling</th>
<th><strong>Entrepreneurial Spirit Versus Self-Efficacy</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Key informant 1</strong></td>
</tr>
<tr>
<td></td>
<td>Point of Views</td>
</tr>
<tr>
<td>UM</td>
<td>Entrepreneurial spirit is the most important factor, but need to be followed by self-efficacy for action.</td>
</tr>
<tr>
<td>UUM</td>
<td>Both factors are important for TENVC and the factors are completing each other.</td>
</tr>
<tr>
<td>UniKL</td>
<td>Both factors are equally important. Self-efficacy is the capability to implement with the support of strong entrepreneurial spirit.</td>
</tr>
<tr>
<td>UTM</td>
<td>Equally important for both factors to involve in TENVC.</td>
</tr>
<tr>
<td>University of Cambridge</td>
<td>Self-efficacy is more important, spirit alone is not enough, many start-up failed within 2 years without capability.</td>
</tr>
<tr>
<td>University of Edinburgh</td>
<td>Entrepreneurial spirit is a key to start, yet self-efficacy is a prove of capability for TENVC. Hence, entrepreneurial spirit will make sure an entrepreneur to sustain and remain to move forward.</td>
</tr>
<tr>
<td>SHU</td>
<td>Both Factors are very important for TENVC. Entrepreneurial spirit is a pushing factors, and self-efficacy is the action.</td>
</tr>
</tbody>
</table>
Massachusetts Institute of Technology

Spirit is an encouraging key factor, while strong self-efficacy is a capability to implement. Entrepreneurial spirit not only happen at starting stage but along the process of entrepreneurship.

People with strong entrepreneurial spirit will always have strong momentum & people with strong self-efficacy will always have capability to make things happen. Thus both factors are very important to TENVC.

Both are equally important

Both factors are correspondingly important to the TENVC process. Every entrepreneur need to have both factors to start, sustain & growth entrepreneurship.

Self-efficacy

Entrepreneurial spirit is important, yet the capability to implement is more important.

Entre. spirit

Both factors are correspondingly important for business venture.

Entrepreneur need to have both factors for the success of the business

Both factors are very important in business venture. These factors are complement for the success of entrepreneur.

Both are equally important

Both factors are correspondingly important to the TENVC level of UGTS and the current status of TENVC in IHLs.

Implications of this point to the idea that an increase in opportunity obsession, motivation to excel, commitment, creativity, self-reliant, ability to adapt, as well as determination are likely to lead to an increase level and status of TENVC. As stated by Bandura (1997) and Timmons and Spinelli (2007), a higher perceived self-efficacy of the person tends to transform that person to a more optimistic, courageous, committed and determined type of person. A perceived higher self-efficacy constitute to the development of inner control or being self-reliant and the ability to adapt by the entrepreneur (Timmons and Spinelli, 2007; Hisrich, Peters and Shepherd, 2005; Bandura, 1997). As such the person tends to rely on his own capability and is likely to be ready in any culture change that might occur. Perceived self-efficacy of the individual shapes his attitude and behavior toward a specific activity or goal (Timmons and Spinelli, 2007; Bandura, 1997).

Consequently, with only different small value at (r=.005, p=.00) and (r=.024, p=.00) lower compared to self-efficacy, hypothesis assessment between entrepreneurial spirits of the participant versus
TENVC level of UGTS and the current status of TENVC in IHLs show high significant positive relationship between the variables. This finding shows that, as the participant’s entrepreneurial spirit increases, their TENVC level and the current status of TENVC in IHLs also increase. Analysis on respondent’s entrepreneurial spirit clusters versus both TENVC level of UGTS and the current status of TENVC in IHLs also show positive significant relationship for between the clusters to both TENVC level of UGTS and the current status of TENVC in IHLs. Even though with different degree of positive significant relationship, the finding guide to the idea that an increase in ready for challenges, tolerance of risk, desire for control, desire to succeed, perseverance, as well as decisiveness are likely to lead to an increase level and status of TENVC. As specified by to Hatch and Zweig (2006), entrepreneurial spirit is the embodiment of a collection of personal traits that most. Indeed, some traits were more predominant in some than in others. It is a gift that inspires people with passion, positivity, leadership and ambition to become the best they can be (Pierce, 2008), as well as propelled individuals to incur great personal risk, to abandon their jobs and to start their own businesses as well as encourages self-pride and recognition for each individual’s contribution to a corporate end product (Gatty, 2013).

This result is supported by the finding from in-depth interview through qualitative study. The finding shows that Two (2) respondents highlighted entrepreneurial spirit is the most important part for TENVC instead of self-efficacy since this factor seems to be the pushing indicator for TENVC to start. Yet, both respondents agreed that the spirit need to be accompany by self-efficacy for action to make sure the business capable to generate the profit. On the other pointer, Four (4), respondents believed self-efficacy is more important as the key factors for TENVC, since self-efficacy is about the capability to make thing happen. This thought is supporting by the fact that many young entrepreneur failed within two years without the capability to ensure the success of the business venture. Still, entrepreneurial spirits are essential along the journey of TENVC to keep the momentum going. Nevertheless, 18 respondents of key informants among TEDO management and Five (5) venture capitalists highlighted that both entrepreneurial spirit and self-efficacy are corresponding important as key factors for TENVC since both factors are complement to each other for the entire process of TENVC. The relationship between entrepreneurial spirit and self-efficacy clusters to TENVC is illustrated in the model as shown in Figure 1.

![Figure 1: The relationship between entrepreneurial spirit and self-efficacy clusters to TENVC](image)

CONCLUSION
Even though, there is inconsistent of previous researchers in defining entrepreneurship and entrepreneur, as well as the issues concerning traits and behavioral approaches still in debates, the result from 2016 respondents through quantitative study and 24 respondents from qualitative study give a clear understanding to the researchers regarding the issues. The study that have been done among UTGS and key informants over 12 Malaysian IHLs and Six (6) IHLs in UK and USA, as well as Four (4) venture capitalists guide the researchers to have a thought that both entrepreneurial spirit and self-efficacy are correspondingly important to the TENVC. The combination of self-efficacy clusters has function as the key to turn on the TENVC on the platform of entrepreneurial spirit clusters. Entrepreneurs need for both entrepreneurial spirit and self-efficacy to ensure the high success in their venture. Entrepreneurial spirit is an encouraging factor along the process of TENVC, while self-efficacy is the key capability to implement and to make thing happen along the journey of TENVC.

References


Key Influencing Factors for Technopreneur Development and Incubation Program

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ABSTRACT

Technopreneurial potential of graduates has become one of the national agenda and has been attracting the interest of policy makers, educationists and development agencies. In Malaysia, the numbers of graduate students participate in technopreneur development and incubation programs (TEDIP) are still far below the expectation and financial allocation by the government. This study aims to identify the key influencing factors among participants to participate and to remain in the TEDIP, also to construct new theories that contribute to the knowledge on technopreneur development (TED). Mix method research was applied in the study. The samples were chosen based sampling frame which comprise Master of Science Technopreneurship participants in Malaysian IHLs for quantitative study; and judgment sampling i.e. government and Malaysian IHLs key informants for the qualitative study. The result highlighted Seven (7) primary factors and Ten (10) secondary factors that have influenced the TEDIP participants to participate, as well as Eighteen (18) primary factors to remain in the program. On the basis of finding, the model developed will hopefully help the TED organization to increase the number of participants in TEDIP. The policy makers and the TED agencies may utilize this result to develop further TED program in the country.

Key words: Entrepreneurship, Technopreneurship, Technopreneur Development and Incubation Program

1.0 BACKGROUND OF THE RESEARCH CONTEXT

Technopreneurship has been identified as vital part of competitive advantages in today’s knowledge based economy (Shankar, 2002; NTU, 2007). Since a decade, it has become increasingly apparent that graduates are seriously interested in establishing their own business recently (McLarty, 2005). Academic communities are required to support the development of new products and enterprises through scientific research (Chiriacescu, 2007). In this respect, a major expectation has been placed upon higher education to play a leading role in generating enterprising graduates in general and into self-employment in business in particular. Thus, entrepreneurship education for young people is perhaps the most powerful hint in youth development today. Entrepreneurial potential of graduates also has become the national agenda and has been attracting the interest of policy makers, educationists and development agencies (McLarty, 2005; Malaysia, 2009). Therefore, Malaysian government bodies and local universities have been keen to promote TEDIP and spending enormous sums of time and money trying to develop graduate entrepreneurs. The first Master of Science Technopreneurship program was introduced in 1999. This program is a joint venture program at graduate level education and incubation on ICT Technopreneur between MARA and Universiti Teknologi Malaysia (UTM). The program is known as SKIT. With the aims to produce world class ICT entrepreneur, this program focuses on generating ICT entrepreneurs in Software Engineering. In year 2003, second TEDIP known as Master of Science in Technopreneurship (MOST) has been introduced by MARA and Universiti Utara Malaysia (UUM). To this date there are Seven (7) cohorts graduated from SKIT and Five (5) cohorts graduated from MOST. The amount of budget allocated by MARA for both programs is shown in Table 1.
| Table 1: Investment fund for SKIT and MOST programs |
|----------------------------------------|----------------|-----------------|----------------|-----------------|----------------|
| Complex's physical Infrastructure (RM) | Related ICT Infrastructure and Facilities (RM) | Study Loan Per Participant (RM) | Allowance/Participant (RM) | Computer Loan/Participant (RM) |
| SKIT | 3,400,000 | 1,000,000 | 29,000 | 12,000 | 5,000 |
| MOST | 200,000 (ready building) + 85,000 (renovation) | 350,000 | 26,920 | 12,000 | 5,000 |

2.0 PROBLEM STATEMENT AND RESEARCH QUESTION

Preliminary study on the government initiative and support shows that the Malaysian government bodies are very keen to promote TEDP by providing multi incentive and spending extensive sums of time and money in developing Technopreneurs among post graduate participants. However, previous observation shows that government support in term of study scholarship allocations was reduced from 30 participants for each batch in each program in 1999 to 20 participants in 2007, and 10 participants in 2010 to present. Initial formal interview with key informant i.e. the government and related IHLs reveals that the reducing number of scholarship allocation and budget for each batch and each program by the government was caused by the decreasing number of candidates applied for the TEDIP. Therefore, to identify issues within the problem, the researchers have proposed a research questions i.e.

1. What are the factors that have influence the current participants to participate in TEDIP in Malaysia?; and
2. What are the factors that motivate the TEDIP participants to remain in the program?

3.0 LITERATURE REVIEW AND RESEARCH FRAMEWORK

Kuratko (2004) believed that an entrepreneurial perspective can be developed in individuals. This perspective can be exhibited inside or outside an organization, in profit or not-for-profit enterprises, and in business or non-business activities for the purpose of bringing forth creative ideas. With the same belief, the Malaysian government has chosen to be open and pragmatic in dealing with changes, and was committed to develop creativity, innovation and entrepreneurship. To encourage the development of technopreneur, the Malaysian’s government offers it’s full support through various incentives and programs including TED at graduate training and incubation program in Malaysian IHL since 1999. Under a collaborative effort with UTM, the government has developed UTM-MARA Technopreneurs Complex for SKIT program in UTM. To develop more ICT entrepreneurs, the government engaged in a new collaboration with UUM to start MOST program in year 2004. From the review, the researchers found that most of the key components of both SKIT and MOST i.e. teaching factory, industrial internship, incubation process, mentoring, industrial visit, and experiential learning, are recognized by most previous researchers (D’Cruz, Shaikh, and Shaw, 2006; O'Shea et al., 2007; Klandt, 2005) as keys element for entrepreneur development. Some of these key attributes are also familiarly used by other institutions on their TEDIP i.e. Florida Institute of technology (D’Cruz, Shaikh, and Shaw, 2006); San Jose State University (Basu, 2006); Hunter Center for Entrepreneurship (US, 2007); Stanford Technology Venture Program (SU, 2006); Entrepreneurship and Innovation Program, MIT Center for Entrepreneurship (MIT-Sloan, 2007); and National Technopreneurship Center (Tan, Lim, and Toh, 2004); and CMI (Acworth B. and Ghose, 2006). However, reducing number of TEDIP participants in both SKIT and MOST from batch to batch has promoted the researchers to study in more detail on the key factors that have influenced the current participants to participate in the TEDIP and motivated them to remain in the program. With prior theoretical
knowledge, the researcher has identified Four (4) groups of factors which is match to the empirical observation that might influence the respondents to participate and to remain in the TEDIP i.e. the person, internal environment; external environment and implementation as shown in Table 2.

The ‘person’ attributes are put into four categories, i.e. experiences (Sternberg, 2004; and Hynes, 1996); self-efficacy (Bandura, 1997; Heinonen and Poikkijoki, 2006); entrepreneurial spirit (Osborne and Gaebler, 1993; Ward and Ward, element2011; Kawasaki, 2011) and skill (Battle, 1990; Patton and Griffin, 1981; Hisrich, Peter, and Shpeherd, 2005). The internal environment element are classified into two categories including: institution environment (Matheson, 2006; and Antonic and Hisrich, 2003); and training environment (Hynes, 1996; and Solomon, 2007; Cruz et al., 2002; Klandt and Muller-Bolling, 1993; Klandt, 2005; Fiet, 2000). Another three (3) key attributes that have been identified from the pretest as essential for the internal environment element that might influence the participant to participate in the TEDIP are program information; program contents/modules; and level/type of degree offered. The external environment element are classified into two categories i.e. government support (Malaysia, 2009); and industrial-linkage (Prathaban and Shankar, 2003). Another two (2) external environment elements identified through the pre-test are family background and socio economy. On implementation element, the research refers to Klein and Sorra (1996) and Klein and Knight (2005) overview since not many prior researches have been discusses on the issue. However, after the pretest and interview with the key informers, only six implementation attributes from Klein and Sorra (1996) and Klein and Knight (2005) will be analyze in this topic since the ‘learning orientation’ has focused on training environment. In addition, through the pretest and interview with the key informers, the researchers have identified another key element that should be taken into consideration during the implementation process i.e. high turnover of management and culture change. The high turnover of management key element focuses on high replacement of the program management in very short term before the TEDIP participants completed their courses. While, cultural change key element focuses on the issues that argue on the readiness of the program participants to be developed as Technopreneur, and TEDIP management to change from traditional entrepreneurship program management to Technopreneur management.

Table 2: Four groups of key factors which is match to the empirical observation that might influence the respondents to participate and to remain in the TEDIP.

<table>
<thead>
<tr>
<th>Entrepreneur/Participant</th>
<th>Internal Environment</th>
<th>External Environment</th>
<th>Implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Entrepreneurial Spirit</td>
<td>a) Institutional environment</td>
<td>a) Government support</td>
<td>e) Policies and practice</td>
</tr>
<tr>
<td>b) Experiences</td>
<td>- Organizational culture</td>
<td>b) Industrial - Linkages</td>
<td>f) Organizational climate</td>
</tr>
<tr>
<td>c) Skills</td>
<td>- Resource availability</td>
<td>- Technological Opportunity</td>
<td>g) Managerial role</td>
</tr>
<tr>
<td>d) Interpersonal Skill</td>
<td>- Organizational structure</td>
<td>- Market opportunity</td>
<td>h) Financial resources</td>
</tr>
<tr>
<td>e) Entrepreneurial Skill</td>
<td>- Intrapreneurship</td>
<td>- Business Network Opportunity</td>
<td>i) Managerial commitment</td>
</tr>
<tr>
<td>f) Management Skill</td>
<td>- Teaching Factory/Incubation Process</td>
<td>- Venture capital</td>
<td>j) Managerial skill</td>
</tr>
<tr>
<td>g) Self- Efficacy</td>
<td>- University</td>
<td>(Financial assistance during start-up)</td>
<td>k) High Turnover Cultural change</td>
</tr>
<tr>
<td>h) Leadership</td>
<td>- Faculty/trainer quality</td>
<td>c) Family background</td>
<td>l) Cultural change</td>
</tr>
<tr>
<td>i) Opportunity obsession</td>
<td>- Mentoring/ Coaching</td>
<td>d) Economic condition</td>
<td></td>
</tr>
<tr>
<td>j) Motivation to excel</td>
<td>- Course structure</td>
<td></td>
<td></td>
</tr>
<tr>
<td>k) Commitment and</td>
<td>- Course length</td>
<td></td>
<td></td>
</tr>
<tr>
<td>l) Determination;</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>m) Creativity</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>n) Self-reliance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>o) Ability to adapt</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
4.0 RESEARCH METHODOLOGY

Samples of the research were chosen based on judgment sampling for qualitative study i.e. the Malaysian government and IHL key informants for the primarily study to define the research problem; and sampling frame which comprise of Master of Science Technopreneurship participants in Malaysian IHL for both quantitative and qualitative study to identify key influencing factors that encourage the respondents to participate in the TEDIP and motivate them to remain in the program. The quantitative data was collected through electronic questionnaire survey using ShareSurvey software. To ensure the internal consistency reliability of the data, all data gathered from surveys were tested with Cronbach's alpha.

Zorn (2006) stresses out that semi-structured interview is the most useful interview format for conducting qualitative research for in-depth interviews. Therefore, feedback from quantitative study was used to design semi-structured interview form to interview the TEDIP participants for the qualitative study, which can sharpen the clarity of results, strengthen the validity of findings, and enhance the credibility of conclusions. Overall, there are 28 face-to-face in-depth interview; 24 phone interview; and 14 through online SKYPE interview; while other TEDIP participants do not respond to the interview requested by researchers. Results of the study are explained in detail in the next section.

5.0 ANALYSIS AND FINDING

The outcome of the alpha value is at $\lambda=0.939$. There were two scale types of quantitative data gathered for this research i.e. nominal data and ordinal data. Thus descriptive analyses were used to analyze and summarize data including of frequency distribution and central tendency. Summarization of respondents profile is shown in Table 1.3.

### Table 3: Respondents Profile

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>No. of Respondents</th>
<th>Percent</th>
<th>Characteristics</th>
<th>No. of Respondents</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
<td>Personal Life Before Joining the TEDP</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>45</td>
<td>46.9</td>
<td>Just graduated &amp; haven’t been involved in any business.</td>
<td>28</td>
<td>29.2</td>
</tr>
<tr>
<td>Female</td>
<td>51</td>
<td>53.1</td>
<td>Fresh graduate &amp; involved in ICT business</td>
<td>16</td>
<td>16.7</td>
</tr>
<tr>
<td>Total Number of Respondents</td>
<td>96</td>
<td>100.0</td>
<td>Entrepreneur with a good none ICT business.</td>
<td>12</td>
<td>12.5</td>
</tr>
<tr>
<td>Age Group</td>
<td></td>
<td></td>
<td>TE with a good ICT business.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>22-25</td>
<td>19</td>
<td>19.8</td>
<td>Termination of employment.</td>
<td>11</td>
<td>11.5</td>
</tr>
<tr>
<td>26-30</td>
<td>37</td>
<td>38.5</td>
<td>Fresh graduate &amp; involved in non ICT business</td>
<td>8</td>
<td>8.3</td>
</tr>
<tr>
<td>31-35</td>
<td>25</td>
<td>26.0</td>
<td>I have quit from my business enterprise.</td>
<td>2</td>
<td>2.1</td>
</tr>
<tr>
<td>36-40</td>
<td>13</td>
<td>13.5</td>
<td>TE with a good none ICT business.</td>
<td>2</td>
<td>2.1</td>
</tr>
<tr>
<td>More than 40</td>
<td>2</td>
<td>2.1</td>
<td>Other</td>
<td>6</td>
<td>6.3</td>
</tr>
<tr>
<td>Total Number of Respondents</td>
<td>96</td>
<td>100.0</td>
<td>Missing System/ No respond</td>
<td>2</td>
<td>2.1</td>
</tr>
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</table>

Key Influencing Factors to Participate in the Program

The central tendency analysis on key factors which influence participants to participate in the TEDIP is shown in Figure 1. With overall maximum answer at 5.0, the results show that business network opportunity expected through the program is the most influential of all factors with the higher Mean (X= 4.00). In descending order the next influencing factor is entrepreneurial spirit (X=3.77); good market access opportunity expected through the program (X=3.73); self-efficacy (X=3.70); strong
financing support opportunity expected through the program (X=3.69); the master degree offered by the program (X=3.56); contact network/people respondent knows/family (X=3.52); interpersonal skills (X=3.48); program brochure/information (X=3.44); program contents (X=3.41); previous education experiences (X=3.40); management skills (X=3.39); previous industry experiences (X=3.28); entrepreneurial skills (X=3.07); technological skills/special know-how (X=3.02); respondent has just graduated and have no plan during that time (X=2.58); and unemployment/termination of employment (X=2.46). Other factors from Table 2 have been rated at 2.0 and below.

Figure 1: Influencing factors to participate in PTEDP

From both quantitative and qualitative study, the results show that business network opportunity expected through the program is the most influential of all factors which include entrepreneurial spirit, good market access opportunity, self-efficacy, strong financial support opportunity, incubation process, the master degree being offered by the program, and contact network or people known by the respondents. As stated in the literature review, the business network and social or financial resources are important factors in entrepreneurial high tech development (West & Bamford, 2005). Availability of resources, such as time, financial, human and social capital as well as technology are vital for the emergence and development of opportunities (Sanz-Velasco, 2006) which will also support the entrepreneurial behavior (Hornsby et al, 2002). Moreover, self-efficacy has been specifically noted as a key predictor of a person’s engagement to entrepreneurial activities. This is because people who have higher self-efficacy tend to be more willing to take up challenges and show persistency in dealing with obstacles (Bandura, 1997). They have more competitive advantage and skills that enable them to be more self-reliant, creative, motivated and committed in the endeavor or task they partake (Timmons and Spinelli 2007). Figure 2 shows the primary and secondary influencing factors of TEDIP participation based on respondents’ feedback.
Key Motivating Factors to Remain in TEDIP

With maximum answer at 5.0 from strongly disagree to strongly agree, researchers found 15 main factors that motivate the participants to remain in the current TEDIP. In descending order the factors are master degree offered with the higher Mean at (X=4.46); motivation to excel (X=4.38); entrepreneurial spirit (X=4.32); opportunity obsession (X=4.18); commitment and determination (X=4.09); business network opportunity (X=3.92); mentoring/coaching (X=3.88); managerial commitment (X=3.72); venture capital/final support/grant opportunity (X=3.66); government support (X=3.62); organizational culture (X=3.58); economic condition (X=3.56); Participant Cultural Change (X=3.52); and Self-reliance (X=3.50); Detail result is shown in Table 4.

Table 4: Motivating Factors to Remain in TEDIP

<table>
<thead>
<tr>
<th>No</th>
<th>Key Factors</th>
<th>N</th>
<th>Max</th>
<th>Mean</th>
<th>No</th>
<th>Key Factors</th>
<th>N</th>
<th>Max</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
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<td>1</td>
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<td>5</td>
<td>4.46</td>
<td>19</td>
<td>Program Content/Structure</td>
<td>96</td>
<td>5</td>
<td>3.28</td>
</tr>
<tr>
<td>2</td>
<td>Entrepreneurial Spirit</td>
<td>96</td>
<td>5</td>
<td>4.38</td>
<td>20</td>
<td>Leadership</td>
<td>96</td>
<td>5</td>
<td>3.26</td>
</tr>
<tr>
<td>3</td>
<td>Motivation to Excel</td>
<td>96</td>
<td>5</td>
<td>4.32</td>
<td>21</td>
<td>Organizational climate</td>
<td>94</td>
<td>5</td>
<td>3.19</td>
</tr>
<tr>
<td>4</td>
<td>Opportunity Obsession</td>
<td>96</td>
<td>5</td>
<td>4.18</td>
<td>22</td>
<td>Ability to adapt</td>
<td>96</td>
<td>5</td>
<td>2.98</td>
</tr>
<tr>
<td>5</td>
<td>Commitment &amp; Determination</td>
<td>96</td>
<td>5</td>
<td>4.09</td>
<td>23</td>
<td>Trainer quality</td>
<td>96</td>
<td>5</td>
<td>2.92</td>
</tr>
<tr>
<td>6</td>
<td>Business Network</td>
<td>96</td>
<td>5</td>
<td>3.92</td>
<td>24</td>
<td>Incubation Process</td>
<td>96</td>
<td>5</td>
<td>2.86</td>
</tr>
<tr>
<td>7</td>
<td>Mentoring/coaching</td>
<td>96</td>
<td>5</td>
<td>3.88</td>
<td>25</td>
<td>Resource availability</td>
<td>96</td>
<td>5</td>
<td>2.83</td>
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<tr>
<td>8</td>
<td>Managerial Commitment</td>
<td>96</td>
<td>5</td>
<td>3.72</td>
<td>26</td>
<td>Creativity</td>
<td>96</td>
<td>5</td>
<td>2.75</td>
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<tr>
<td>9</td>
<td>Managerial skill</td>
<td>96</td>
<td>5</td>
<td>3.66</td>
<td>27</td>
<td>Intrapreneurship</td>
<td>96</td>
<td>5</td>
<td>2.74</td>
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<tr>
<td>10</td>
<td>Grant opportunity</td>
<td>96</td>
<td>5</td>
<td>3.66</td>
<td>28</td>
<td>Top Managerial role</td>
<td>94</td>
<td>5</td>
<td>2.68</td>
</tr>
<tr>
<td>11</td>
<td>Government Support</td>
<td>96</td>
<td>5</td>
<td>3.62</td>
<td>29</td>
<td>Policies and practice</td>
<td>96</td>
<td>5</td>
<td>2.61</td>
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<tr>
<td>12</td>
<td>Organizational Culture</td>
<td>95</td>
<td>5</td>
<td>3.58</td>
<td>30</td>
<td>Program information</td>
<td>96</td>
<td>5</td>
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<tr>
<td>13</td>
<td>Economic Condition</td>
<td>96</td>
<td>5</td>
<td>3.56</td>
<td>31</td>
<td>Course length (2 years)</td>
<td>95</td>
<td>5</td>
<td>2.52</td>
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<tr>
<td>14</td>
<td>Participant Cultural Change</td>
<td>96</td>
<td>5</td>
<td>3.52</td>
<td>32</td>
<td>Technological Opportunity</td>
<td>96</td>
<td>5</td>
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<tr>
<td>15</td>
<td>Self-reliance</td>
<td>96</td>
<td>5</td>
<td>3.50</td>
<td>33</td>
<td>Mgmt Organizational structure</td>
<td>96</td>
<td>5</td>
<td>2.35</td>
</tr>
<tr>
<td>16</td>
<td>Family background</td>
<td>96</td>
<td>5</td>
<td>3.42</td>
<td>34</td>
<td>Mgmt Financial resources</td>
<td>94</td>
<td>5</td>
<td>2.25</td>
</tr>
<tr>
<td>17</td>
<td>Participants Experiences</td>
<td>96</td>
<td>5</td>
<td>3.36</td>
<td>35</td>
<td>Mgmt Cultural change</td>
<td>95</td>
<td>5</td>
<td>2.20</td>
</tr>
<tr>
<td>18</td>
<td>Participants Skills</td>
<td>96</td>
<td>5</td>
<td>3.31</td>
<td>36</td>
<td>Mgmt High Turnover</td>
<td>94</td>
<td>5</td>
<td>1.53</td>
</tr>
</tbody>
</table>

The above finding is transformed into semi-structured interview form for in-depth interview to strengthen the validity of findings, and enhance the credibility of conclusions. From in-depth interview, the result explain several important points that cannot be answered through the qualitative study i.e why the master degree offered become the main important factor that motivate the participant to remain in the TEDIP; why incubation process and intrapreneurship which have been identified as key important factors for TED as discussed by D’Cruz, Shaikh, and Shaw, (2006); organization (Antonicic and Hisrich, 2003) and O'Shea et al., (2007) appear as not that important in this study; and why high turnover of management have been rated below than 2.00. Through pattern matching analysis, the researchers found that majority of the program participants (65%) feel that implementation of the current TEDIP is more concerning on academic rather than practice. Therefore, since they are in the program, the main motivation for them to remain in the TEDIP is to complete the study and get the master degree. However, the result also shows that majority of the program participants still have very strong anticipation to build their business network (88%), and to get the government support in term of policy and grant opportunity by remaining in the program (85%). Feedback from the study also shows that entrepreneurial spirit and self-efficacy are listed among the major motivating factors for the participants to remain in the TEDIP. Besides, managerial commitment and managerial skill of those who directly in charge the TEDIP also have been found among the main factors that motivate the participants to remain in the program. However, the feedback from the program participants indicate that the managerial commitment is more likely get
lack of support from the main organization/institution as a whole. On the incubation process and intrapreneurship, the result from quantitative study seems to mention that these factors are not important for TED and were rated at only $X=2.86$ and $X=2.74$. However, result from in-depth interview highlighted that majority of respondents agree (88%) that both factors are important for TED, yet the implementation of both factors in the current TEDIP is not up to participants expectation. Final finding on high turnover of management in TEDIP in IHL and government organization, that has been rated below than 2.0 is also explained. The feedback from in-depth interview highlighted this element has cause uncertain of program implementation; and lack of knowledge continuity in terms program management, role and policy. The finding on key motivating factors that motivates the participants to remain in the TEDIP is shown in Figure 4.

6.0 DISCUSSION AND CONCLUSION

The paper aimed to identify key factors that influence and motivate the current participants of TEDIP, i.e. young graduates and industrial players to participate and to remain in the program. To get to the research finding the researcher has applied mix method research study that combines both quantitative and qualitative research method. From prior theoretical review and empirical observation, there are 41 elements from four (4) group of key factors that might influence and motivate the respondents to participate and to remain in the TEDIP were found. The groups of key factors are the person, internal environment, external environment, and program implementation.

Finding on key influencing factors for the participant to participate in the TEDIP revealed only 18 elements were found as main key influencing factors which was classified into two (2) categories i.e. primary category (8 elements) and secondary category (10 elements). The result shows that looking for business opportunity, strong entrepreneurial spirit, looking for market opportunity, strong self-efficacy, incubation process concept, looking for financial support, and master degree offered in technopreneur are the primary factors that have attracted the participants to participate in TEDIP. On the other hand, there is no key element from program implementation found as one of the key influencing factors in this study. From this finding, the researchers could conclude with two (2) theories:
1) TEDIP participants do not caution on how the institution implement the program at the first place i.e. policies and practice, organizational climate, managerial role, financial resources, managerial commitment, managerial skill, high turnover management staff, and cultural change which is on the readiness of TEDIP management to change from traditional entrepreneurship program management to technopreneur management; and

2) The major key influencing factors for the participants to participate in TEDIP based on their (i) desire i.e. business network opportunity, market access opportunity, financial support opportunity; (ii) entrepreneurial spirit; (iii) self-efficacy i.e. commitment and determination; leadership; opportunity obsession; tolerance of risk, ambiguity and uncertainty; creativity; self-reliance; ability to adapt; and motivation to excel; (iv) training environment i.e. incubation process; (v) type of degree offered i.e. Technopreneur Master Degree; and (vi) support i.e. family, contact and/or network support.

Result on key motivating factors for the participants to remain and to complete their study in the TEDIP shows a bit difference rank of key elements as mentioned in key influencing factors that encourage them to participate in the program. The finding shows that drive to complete the master degree becomes the main motivating factor to remain in the TEDIP, and looking for business opportunity becomes the 6th place of key motivating factor to remain in the program. Entrepreneurial spirit remains in the second ranking for both key influencing factors to participate and key motivating factors to remain in the TEDIP, whilst self-efficacy elements are listed as among important key motivating factors. In contrast with the finding in key influencing factors to participate in the TEDIP, the outcome also revealed managerial commitment and managerial skills are among key important factors to motivate them to remain in the TEDIP. These results direct the researchers to conclude the finding with six (6) theories:

1) There were 15 elements found as key motivating factors to motivate the TEDIP participant to remain in the program i.e. master degree, entrepreneurial spirit, motivation to excel, opportunity obsession, commitment & determination, business network opportunity, mentoring/coaching activity; managerial commitment; managerial skill; grant opportunity, government support, organizational culture, economic condition, participant cultural change, and self-reliance;

2) Certain key elements were positioned at different level of key influencing factors that encourage the participations to participate in TEDIP and key motivating factors to motivate the participants to remain in the TEDIP;

3) Entrepreneurial spirit and self-efficacy are among two (2) main key elements that always come together in TED;

4) The organization / institution need to stretch more attention on Implementation process i.e. managerial commitment, managerial skills; and institutional environment i.e. organizational culture as these elements are found among the key factors that could motivate the TEDIP participants to remain in the program;

5) Incubation process and intrapreneurship were found as important for TED through TEDIP, yet the implementation of both factors in the current TEDIP is not up to participants’ expectation; and

6) High turnover of management has demotivated the participants to remain in the program and gave negative implication to TEDIP i.e. uncertain of program implementation; and lack of knowledge continuity in terms program management, role and policy.

Through the above findings it has been proven that both research objectives are achieved. On the basis of finding, the model developed will hopefully help the TED organization to increase the number of participants in TEDIP. The policy makers and the TED agencies may utilize this result to develop further TED program in the country.
References


Memperkayakan Pengalaman Keusahawanan Pelajar Melalui Koperasi

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ABSTRAK

Kajian menunjukkan bahawa pendedahan awal kepada pengetahuan dan kemahiran keusahawanan dianggap amat penting dalam membangunkan pelajar agar menjadi usahawan yang berjaya. Dikenali sebagai sebuah universiti yang menawarkan berbagai bidang pengurusan dan perniagaan, Universiti Utara Malaysia (UUM) mengadakan pelbagai inisiatif dalam pendidikan keusahawanan kepada pelajarnya. Antara program yang diperkenalkan adalah (i) program pengajian Ijazah Sarjana Muda Keusahawanan dengan Kepujian yang ditawarkan oleh School of Business Management, (ii) program pengajian Ijazah Sarjana Teknopreneur, (iii) modul-modul Ko-Keusahawanan yang ditawarkan sebagai pilihan dalam memenuhi komponen ko-kurikulum yang perlu diambil sebagai memenuhi syarat gradursi setiap semua pelajar UUM, dan (iv) kursus Asas Keusahawanan yang dijadikan sebagai kursus asas university dan oleh itu perlu diambil oleh setiap pelajar UUM sebagai memenuhi syarat gradursi. Program Siswaniaga adalah salah satu program yang turut diperkenalkan sebagai platform untuk para pelajarnya mengendalikan perniagaan mereka semasa di kampus. Namun demikian, masalah yang dihadapi oleh peserta program ini mendorong pihak universiti mewujudkan satu bentuk konsortium yang kini dibangunkan sebagai satu koperasi. Kertas ini melaporkan status semasa inisiatif UUM tersebut, iaitu koperasi pelajar yang dinamakan sebagai Koperasi Siswa (KoSiswa). Koperasi Siswa telah diperkenalkan di seluruh negara dan kertas ini membawa perbincangan awal berkaitan koperasi siswazah secara amnya dan KoSiswa secara khususnya di UUM.

KATA KUNCI: Koperasi, perniagaan pelajar, pendidikan keusahawanan, mahasiswa

PENGENALAN


Jadual 1 Statistik gerakan koperasi 2007 – 2012

<table>
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<th>Tahun</th>
<th>Bilangan koperasi</th>
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<th>Jumlah modal syer/Yuran (RM)</th>
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Sumber : Suruhanjaya Koperasi Malaysia, 2010


Jadual 2 Statistik koperasi mengikut fungsi 31 Disember 2012

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Jumlah 10,087 7,028,715 11,712,070,590 100,406,191,531 31,095,702,299

Sumber : Suruhanjaya Koperasi Malaysia, 2012

Jadual 3 menunjukkan bilangan koperasi mengikut negeri. Jadual 2 menunjukkan bahawa negeri Kedah terletak di tempat ke-6 dengan 801 buah koperasi dan dengan jumlah anggota ke-8 paling

**Jadual 3 Statistik koperasi mengikut negeri 31 Disember 2012**

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<td><strong>31,095,702,299</strong></td>
</tr>
</tbody>
</table>

Sumber: Suruhanjaya Koperasi Malaysia, 2012

Nota: *Bilangan koperasi: Kedah di tempat ke-6
**Jumlah anggota: Kedah di tempat Ke-8
++Jumlah modal syer/Yuran : Kedah di tempat ke-5
##Jumlah aset: Kedah di tempat ke-9
^^Jumlah perolehan: Kedah di tempat ke-9

Kertas kerja ini membincangkan latar belakang di Bahagian 1 manakala Bahagian 2 memuatkan perbincangan berkaitan ulasan karya yang relevan berkaitan pendidikan keusahawanan dan penglibatan UUM. Bahagian 3 membincangkan signifikan kertas kerja dalam bidang ini diikuti dengan Bahagian 4 yang memuatkan perbincangan berkaitan pergerakan koperasi yang relevan dan penglibatan UUM. Kesimpulan kertas kerja didapati di Bahagian 5.

**Pendidikan Keusahawanan dan Penglibatan UUM**

Terdapat pengiktirafan bahawa pendidikan memainkan peranan penting dalam mempromosikan sikap dan tingkahlaku keusahawanan. Di peringkat pendidikan tinggi, tujuan utama pendidikan keusahawanan adalah untuk membentuk kecenderungan dan pemikiran. Dalam konteks ini, program-program pendidikan keusahawanan mempunyai objektif yang berbeza, seperti membentuk semangat keusahawanan dalam kalangan pelajar melalui pendedahan dan motivasi, melatih pelajar dengan pelbagai kemahiran yang diperlukan untuk memulakan perniagaan dan mengurus pertumbuhannya, serta membentuk kebolehan keusahawanan mengenali dan mengeksploit peluang. Peranan pendidikan keusahawanan telah dikenal pasti sebagai salah satu faktor penting membantu belia-belia memahami dan membentuk sikap keusahawanan (Gorman et al., 1997; Kourilsky and Walstad, 1998).

Menurut penyelidikan yang dijalankan oleh Knight (1987), usahawan graduan University of Western Ontario percaya bahawa program perniagaan yang mereka ikuti semasa pengajian menyediakan mereka dalam dunia perniagaan. Namun, mereka mencadangkan agar diberi tumpuan yang lebih kepada keusahawanan dalam semua kursus dan penggunaan kes-kes berkaitan usahawan, terutamanya graduan universiti yang boleh dijadikan ‘role models’ (Knight, 1987). Luthje dan Frank (2002) menegaskan kepentingan pendekatan kepada pendidikan keusahawanan dalam membentuk niat pelajar untuk menjadi usahawan. Mereka membandingkan pelajar-pelajar di Massachusetts Institute of Technology (MIT) yang berada dalam persekitaran yang menyokong minat pelajar menjadi usahawan dengan sebuah university di German yang baru mula bergerak ke arah pembentukan pendidikan keusahawanan. Mereka mendapati perbezaan yang signifikan dalam aspek niat keusahawanan, bercita-cita tinggi dalam jenis perniagaan dan saiz (bilangan pekerja) antara dua kumpulan pelajar itu di mana pelajar MIT menunjukkan skor yang lebih tinggi dalam semua aspek.


UUM merupakan antara universiti yang awal dalam menawarkan pelbagai program, latihan, kursus dan pengajian berkaitan keusahawanan. Sejak ditubuhkan dalam tahun 1984, UUM menawarkan sekurang-kurangnya lima inisiatif utama untuk merangsang pelajar bertindak secara keusahawanan. Pertama, dan pada asasnya, setiap pelajar UUM akan mengambil kursus wajib universiti BPME1013 Asas Keusahawanan sebagai salah satu syarat pengijazahan. Kedua, pelajar boleh memilih untuk berdaftar bagi kursus Ko-kurikulum Keusahawanan, selama empat semester, yang membawa 4 jam kredit. Ketiga, mereka boleh berdaftar dalam program pengajian Ijazah Sarjana Muda Keusahawanan


Terdapat satu program yang ditawarkan kepada mana-mana pelajar yang ingin mendapat pengalaman berniaga secara langsung (hands-on) di kampus. (Program yang dinamakan sebagai Program Siswaniaga telah digantikan dengan KoSiswa yang dibincang dalam Bahagian 4). Program keusahawanan ini ditawarkan kepada pelajar dalam semester kedua sehingga pelajar itu tamat pengajian, dengan syarat pelajar itu mengekalkan purata matagred terkumpul sekurang-kurangnya 2.50 setiap semester.

Program ini ditubuhkan untuk mencapai beberapa objektif, iaitu: (i) melatih siswa untuk menjadi usahawan dengan merasakan pengalaman menjalankan perniagaan sebenar, (2) menanam kemahiran keusahawanan dalam kalangan siswa, dan (3) melatih siswa berdikari dan berkeyakinan dalam memulakan perniagaan sendiri. Peserta program berniaga di lot-lot kedai yang disewa daripada universiti pada harga minima. Selain premis, UUM juga menyediakan bantuan lain seperti: (i) bantuan kewangan, (ii) latihan, (iii) kepakaran teknikal, dan (iv) bantuan penyeliaan. Pada April 1990, Jabatan Perdana Menteri menyumbang sejumlah RM45,000 kepada UUM untuk pembentukan dan latihan perniagaan. Sebahagian daripada dana ini digunakan sebagai dana pusingan (revolving fund) untuk membantu siswa membiayai perniagaan mereka. Terdapat juga sebilan pelajar yang terlibat dalam program keusahawanan ini yang masih kurang biasa dengan memulakan dan menjalankan perniagaan. Justeru UUM menyediakan latihan dan bengkel-bengkel secara berterusan. Para peserta program “dikawal” dalam kepelbagaian jenis perniagaan yang dijalankan untuk menghadkan pesaingan antara siswa. Perkhidmatan fotokopi dan penjilidan adalah perniagaan yang paling popular, diikuti dengan jualan barang runcit, pakaian harian dan pakaian sukan, cenderahati, produk dan perkhidmatan komputer, dan produk telekomunikasi.

Namun demikian, beberapa masalah terutamanya masalah kewangan yang dihadapi oleh para peserta Program Siswaniaga ini yang telah mendorong pihak universiti untuk mewujudkan satu bentuk konsortium yang kini dibangunkan sebagai sebuah koperasi siswa.

**SIGNIFIKAN KERTAS KERJA**

Motivasi kertas kerja ini timbul kerana kurangnya penyelidikan dan dokumentasi berkaitan pergerakan koperasi-koperasi siswa dan khususnya pergerakan koperasi siswa di UUM. Dorongan awal kajian ini terhasil dari keinginan untuk memperoleh pandangan ahli lembaga KoSiswa yang baru diperkenalkan untuk menggalakkan pergerakan koperasi dan keusahawanan di kalangan siswa UUM.

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6 Berbagai bengkel yang dianjurkan secara berterusan seperti Online Business Workshop, Risk Management, dan Business Development Course.
Kertas kerja ini turut membincangkan pendapat ahli lembaga berkaitan kelebihan dan kelemahan pergerakan koperasi ini berbanding program-program keusahawanan lain yang sedia ada ditawarkan di UUM khususnya Program Siswa. Pandangan pihak-pihak berkepentingan ini dapat membantu mengarah langkah ke hadapan dalam membangunkan pergerakan koperasi dan pendidikan keusahawanan di kalangan pelajar UUM.

PERGERAKAN KOPERASI DAN PENGLIBATAN UUM

International Cooperative Alliance (1995) mendefinisikan koperasi sebagai satu persatuan manusia yang bersatu secara sukarela untuk mencapai keperluan ekonomi, sosial dan budaya yang biasa dan aspirasi melalui enterpris yang dimiliki bersama dan dikawal secara demokrasi. IAC turut menyenaraikan beberapa prinsip koperasi, iaitu: (i) organisasi sukarela dengan keanggotaan yang terbuka (voluntary and open membership), (ii) organisasi demokratik di bawah kawalan anggota (democratic member control), (iii) penglibatan ekuiti anggota (Member Economic Participation), (iv) berautonomi dan bebas (autonomous and Independence). (v) menyediakan pendidikan, latihan dan maklumat kepada anggota, wakil-wakil dilantik, pengurusa dan pekerja agar dapat menyumbang kepada koperasi (Education, Training and Information), (vi) kerjasama (Cooperation among Cooperatives), dan (vii) kelestaran masyarakat (Concern for Community). Suruhanjaya Koperasi Malaysia (SKM) mendefinisikan koperasi sebagai “sesuatu pertubuhan yang matlamatnya ialah untuk meningkatkan kepentingan ekonomi anggota-anggotanya mengikut prinsip-prinsip koperasi” (Suruhanjaya Koperasi Malaysia, 2012).


Kini KoSiswa mempunyai hampir 100 orang ahli (yang terdiri daripada pelajar, staf dan usahawan alumni UUM) dengan saham terkumpul melebihi RM52,000. Keanggotaan KoSiswa melibatkan semua kaum, yang majoritinya adalah Melayu (79%) diikuti oleh Cina (13%), India (1%) dan lain-lain (7%). Berbagai jenis perniagaan dijalankan oleh usahawan KoSiswa termasuk perniagaan perkhidmatan, pembekalan dan pengurusan acara, perniagaan penyediaan makanan dan minuman, perniagaan membeli peralatan komputer, aksesori dan servis, perniagaan perkhidmatan fotostat dan cetak, dan perniagaan cenderamata dan fotografi yang ditempatkan di tiga bentuk kedai, iaitu premis Siswa (48 lot), booth perniagaan (16 unit) dan stall perniagaan (5 unit). Pada tahun 2009-2010, di samping dapat mendedahkan cara perniagaan secara kecil-kecilan kepada ahli-ahli koperasi, KoSiswa berjaya membayar 20% dividen kepada pemegang sahamnya, Namun, berbagai usaha dapat dipertingkatkan untuk melestarikan kewangan koperasi dan berjaya mencapai kecemerlangan dalam melahirkan lebih ramai usahawan siswazah, amnya, dan usahawan koperasi, khususnya.

Atas inisiatif pihak pengurus institut, CEDI, telah menengahkan KoSiswa ke peringkat nasional dan berjaya membentuk satu kolaborasi penubuhan koperasi dengan institusi-institusi pengajian tinggi awam dan swasta di seluruh Malaysia. Hasil kolaborasi ini adalah Koperasi Siswa Malaysia (KOSISMA) yang ditubuhkan pada Mei 2011. KOSISMA merupakan kolaborasi IPTA dan IPTS untuk mempergerakkan pergerakan koperasi di institusi pengajian tinggi tempatan. KOSISMA adalah koperasi perkhidmatan jenis menengah yang didefinisikan sebagai “sesuatu pertubuhan yang terdiri daripada koperasi-koperasi asas sahaja yang matlamatnya ialah untuk memudahkan operasi koperasi-koperasi yang menjadi anggotanya”.
Misi KOSISMA adalah untuk “Membantu meningkatkan ekonomi-sosial pelajar dan graduan” dengan:

i. menyediakan lebih banyak peluang dan ruang perniagaan kepada pelajar melalui KOSISMA,
ii. menyediakan pendidikan koperasi dan latihan keusahawanan kepada pelajar, dan
iii. meningkatkan ekuiti pelajar dalam kampus melalui aktiviti keusahawanan dan perniagaan KOSISMA.

Pergerakan koperasi KOSISMA ini mendokong aspirasi Kementerian Pendidikan Tinggi dalam pencapaian Dasar Pembangunan Keusahawanan IPT (yang telah dilancarkan pada 13 April 2010) agar tercapai matlamat kerajaan untuk: (1) melahirkan modal insan yang berkualiti dan mempunyai pemikiran keusahawanan, dan (2) melahirkan lebih ramai usahawan siswazah. KOSISMA secara langsung menyokong Dasar Pembangunan Keusahawanan IPT ini dalam mencapai enam teras strategik, iaitu,

i. menubuhkan Pusat Keusahawanan di setiap IPT.
ii. menyediakan pendidikan dan program keusahawanan yang terancang dan holistik.
iii. memantapkan program pembangunan dan pengukuhan keusahawanan.
iv. mewujudkan mekanisme pengukuran yang berkesan.
v. menyediakan persekitaran dan ekosistem yang kondusif bagi pembangunan keusahawanan.
vi. mengukuhkan kompetensi tenaga pengajar keusahawanan.

Pergerakan koperasi KOSISMA amat bersesuaian untuk meningkatkan bilangan graduan dengan pengetahuan dan kemahiran dalam pengurusan perniagaan yang diperlukan oleh usahawan cemerlang tanpa bergantung kepada pihak-pihak lain. Ini dapat tercapai kerana pendidikan dan pembangunan keusahawanan merupakan salah satu Proyek Agenda Kritikal (critical agenda project, CAP) di bawah Pelan Strategik Pengajian Tinggi Negara (PSPTN) dalam (i) melahirkan graduan IPT yang mempunyai nilai, pemikiran dan atribut keusahawanan, (ii) meningkatkan bilangan usahawan di kalangan graduan IPT iaitu mereka yang benar-benar berkecimpung dalam bidang perniagaan sebagai pemangkin kepada pencapaian transformasi ekonomi negara daripada ekonomi berpendapatan sederhana kepada ekonomi berpendapatan tinggi, serta (iii) melahirkan ahli akademik yang mempunyai nilai, kemahiran, pemikiran, dan atribut keusahawanan.

Pergerakan koperasi KOSISMA turut mensasarkan koperasi seiring dengan usaha kerajaan mengiktiraf gerakan koperasi sebagai wadah penyumbang berkesan kepada pembangunan ekonomi negara melalui Dasar Koperasi Negara (DKN) 2011-2020. DKN 2011-2020 menggariskan lima teras strategik, iaitu:

TS1: Merangsang penglibatan koperasi dalam sektor ekonomi bernilai tinggi
TS2: Memantapkan keuapanaya dan kebolehan koperasi
TS3: Mewujud dan meningkatkan keuapanaya modal insan koperasi
TS4: Meningkatkan keyakinan masyarakat terhadap gerakan koperasi
TS5: Memperkuatkan koperasi melalui seliaan dan penguatkuasaan berkesan

KOSISMA dapat memberi kesedaran tentang manfaat berkoperasi yang diperlukan untuk menarik minat rakyat menyertai atau menyokong koperasi sehingga koperasi diterima sebagai sebahagian daripada amalan kehidupan mereka. Adalah menarik untuk diperhatikan petunjuk prestasi Teras Strategik IV, iaitu, pencapaian:

- 100% sekolah menengah mempunyai koperasi
- 100% IPTA mempunyai koperasi
- 50% IPTS mempunyai koperasi
- 50% rakyat dewasa menjadi anggota koperasi
- 16,000 koperasi didaftarkan

Usaha-usaha KOSISMA adalah bertujuan membantu menggerakkan perubahan dalam koperasi di peringkat penting iaitu di peringkat IPT di mana umur remaja ini dipercayai dapat melalui transformasi mempergiatkan perniagaan koperasi mencapai tahap yang cemerlang. KOSISMA yang dibangunkan ini dapat menangani beberapa kelemahan yang dikenal pasti oleh Suruhanjaya Koperasi Malaysia seperti budaya keusahawanan yang rendah, dan kurang pemahaman tentang koperasi di kalangan remaja Malaysia.


Dapatan Perbincangan Kumpulan Fokus

Ahl lembaga koperasi (ALK) Koperasi Usahawan Siswa di UUM terdiri daripada staf akademik dan pentadbiran, alumni dan pelajar universiti. Baru-baru ini beberapa ALK Koperasi Usahawan Siswa (alumni dan pelajar) telah dijemput untuk membentuk kumpulan focus (focus group) untuk memperoleh pandangan mereka tentang penubuhan pergerakan koperasi di UUM pada peringkat awal. Staf akademik dan pentadbiran ALK tidak dijemput untuk memberi peluang kepada alumni dan pelajar melahirkan pendapat secara terbuka dan ikhlas. Perbincangan yang diadakan telah berlangsung selama hampir tiga jam.

Dapatan daripada perbincangan itu berjaya mengenal pasti beberapa kekuatan yang boleh dirujuk dalam proses penambah baik berterusan pergerakan koperasi di UUM dan di Malaysia. Pertama, UUM sememangnya dikaitkan dengan bidang keusahawanan (CEDI) sehingga pelajar-pelajar di Indonesia menyatakan perkara ini. Kedua, pelajar-pelajar lulusan UUM ramai-ramai berminat untuk menjalankan perniagaan, dan akhirnya, program-program yang dianjurkan oleh SKM/Angkasa adalah percuma dan boleh dimanfaatkan sepenuhnya oleh pelajar.

Kumpulan fokus turut mengenal pasti beberapa kelemahan yang dapat menyekat kepada kecemerlangan sesebuah koperasi, antaranya, ramai ALK daripada koperasi IPT yang kurang pengetahuan tentang fungsi mereka sebagai ahli lembaga, ramai pelajar yang tidak tahu tentang kewujudan koperasi, dan sukar mendapat penyertaan daripada pelajar mungkin kerana kurang berlaku recruitment drive untuk mendapatkan ahli-ahli baru.

Antara cadangan yang diberikan untuk memajukan koperasi adalah perlunya kepada satu ‘core team’ yang terdiri daripada individu-individu yang amat berminat untuk memajukan koperasi, dan penglibatan daripada pihak pengurusan atasan UUM dalam menyokong koperasi.
KESIMPULAN

Koperasi merupakan langkah wajar memandangkan kelebihan bentuk organisasinya. Koperasi bergerak atas norma-norma, nilai-nilai dan prinsip-prinsip koperasi dalam mempromosikan pembangunan ekonomi dan sosial. UUM memperkenalkan berbagai program/aktiviti berkaitan keusahawanan kepada siswa agar mereka dapat menimba ilmu atau pengalaman dunia perniagaan. Baru-baru ini UUM memantapkan salah satu program keusahawanan iaitu Program Siswaniaga, dengan memperkenalkan Koperasi Siswa (KoSiswa). Penubuhan KoSiswa adalah langkah lanjutan yang diambil oleh CEDI untuk memperkaya pendidikan keusahawanan dalam kalangan siswa UUM. Inisiatif ini turut diperkenalkan di institusi-institusi pengajian tinggi awam dan swasta di seluruh Malaysia di bawah Koperasi Siswa Malaysia (KOSISMA). Kini terdapat 24 buah koperasi siswa dan dijangkakan banyak lagi IPT yang akan turut serta dengan sasaran 100% IPTA mempunyai koperasi dan 50% IPTS mempunyai koperasi.

Walaubagaimana pun, seperti mana-mana program/aktiviti keusahawanan di UUM, koperasi siswa perlu dinilai dan dipantau secara berkala. Perbincangan samada formal atau tidak formal dengan anggota-anggota koperasi dan Ahli Lembaga Koperasi perlu diadakan untuk menambahbaik program/aktiviti pendidikan keusahawanan sejajar dengan aspirasi universiti dan negara.

Rujukan


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<td>Koperasi Siswa Siswa Siswi UNIMAP Perlis Berhad</td>
<td>25 Januari 2012</td>
</tr>
<tr>
<td><strong>Kedah</strong></td>
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<tr>
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<td>16 April 2010</td>
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<td>Koperasi Siswa UTM Pulau Pinang Berhad</td>
<td>29 Mac 2011</td>
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<td>13 Jun 2011</td>
</tr>
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<td>Koperasi Siswa USM Kejuruteraan Nibong Tebal Berhad</td>
<td>6 April 2011</td>
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<td>28 April 2009</td>
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<td>Universiti Teknologi Mara, Shah Alam)</td>
<td>Koperasi Siswa Universiti Teknologi Mara Selangor Berhad</td>
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<td>23 Nov 2011</td>
</tr>
<tr>
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<td>27 Disember 2011</td>
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<td>Universiti Sains Islam Malaysia</td>
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<td>25 Jun 2012</td>
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<td><strong>Melaka</strong></td>
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<td>23 Sept 2010</td>
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<tr>
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<td>Koperasi Siswa Universiti Tun Hussein Onn Malaysia Batu Pahat Berhad</td>
<td>21 Ogos 2009</td>
</tr>
<tr>
<td><strong>Pahang</strong></td>
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<td></td>
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<tr>
<td>Universiti Malaysia Pahang</td>
<td>Koperasi Siswa Universiti Malaysia Pahang Berhad</td>
<td>24 Oktober 2011</td>
</tr>
<tr>
<td><strong>Terengganu</strong></td>
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<td></td>
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<tr>
<td>Universiti Malaysia Terengganu</td>
<td>Koperasi Mahasiswa Universiti Malaysia Terengganu Berhad</td>
<td>31 Mei 2010</td>
</tr>
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<td>8 Julai 2010</td>
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<tr>
<td>Universiti Teknologi Mara (Dungun)</td>
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<td>19 Ogos 2011</td>
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<td><strong>Kelantan</strong></td>
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<td></td>
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<tr>
<td>Universiti Malaysia Kelantan</td>
<td>Koperasi Usahawan Siswa Universiti Malaysia Kelantan Berhad</td>
<td>19 Mei 2010</td>
</tr>
<tr>
<td>Universiti Sains Malaysia (Kubang Kerian, Kelantan)</td>
<td>Koperasi Siswa Universiti Sains Malaysia Kelantan Berhad</td>
<td>7 Julai 2011</td>
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<tr>
<td><strong>Sarawak</strong></td>
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<tr>
<td>Universiti Malaysia Sarawak</td>
<td>Koperasi Siswa Universiti Malaysia Sarawak Berhad</td>
<td>31 Mei 2011</td>
</tr>
</tbody>
</table>

*Institusi pengajian tinggi swasta*
Faktor kebergunaan dan kemudahgunaan terhadap niat penggunaan e-dagang di kalangan industri kecil dan sederhana di Sabah.

Ruslan Romli & Norazuwa Mat
Kolej Perniagaan UUM
Universiti Utara Malaysia

Franky Naul
Jabatan Kerajaan Negeri Sabah

Abstrak

Pengenalan
Hinson, 2008). Oleh itu, penggunaan e-dagang adalah penting dan menjadi sangat relevan dalam dunia perniagaan masa kini.

Di samping itu, e-dagang merupakan satu peluang kepada syarikat menawarkan produk dan perkhidmatan di luar waktu operasi biasa (Elizabeth & Hugh, 2002). Ini sekaligus dapat menarik pelanggan yang boleh melakukan urusan pembelian dari rumah selaras dengan peningkatan jumlah pengguna broadband di Malaysia.


Menyadari kepentingan e-dagang dalam sektor perniagaan, kerajaan telah memberi penekanan kepada penggunaan e-dagang di kalangan pengusaha industri kecil dan sederhana (IKS) dalam Rancangan Malaysia Kesembilan (RMK9). Ia merupakan sebahagian daripada agenda mengurus perkenotaran teknologi maklumat dan komunikasi. Dalam agenda tersebut, kerajaan menggalakkan penggunaan e-dagang dalam perniagaan kerana ia mampu meningkatkan produktiviti dan daya saing. Bagi memastikan agenda ini mendaripada kerjasama yang tinggi, kerajaan IKS, kerajaan sedang dan akan melakukan inisiatif seperti mewujudkan kepercayaan dan keyakinan terhadap e-dagang (sekuriti dan privasi pengguna), serta memberi sokongan infrastruktur termasuk rangkaian, sistem pembayaran dan logistik bagi mempertingkatkan pembangunan e-dagang.

Selaras dengan perkembangan e-dagang di peringkat global, Malaysia telah diiktiraf sebagai sebuah negara yang mempunyai potensi dan prospek tinggi untuk pelaksanaan e-dagang di Asia Tenggara pada masa depan. Di samping itu, ia akan menjadi model kepada negara-negara membangun yang lain dalam hal pelaksanaan ICT dan e-dagang dalam tempoh lima tahun akan datang (Syed, 2009). Pengiktirafan seumpama ini membuktikan komitmen yang tinggi kerajaan dan pihak swasta dalam meningkatkan penggunaan e-dagang khususnya di kalangan pengusaha industri kecil dan sederhana.

Di Malaysia, kadar penggunaannya di kalangan pengusaha IKS adalah sangat perlahan (Syed, 2009). Menurut Husnayati dan Rafidah (2005), penggunaan ICT khususnya e-dagang di kalangan IKS tempatan masih pada tahap yang sangat asas iaitu sekitar 90 peratus daripada 100,000 IKS tempatan menggunakan komputer untuk operasi seperti perakaunan asas, data kewangan dan surat-menyurat. Hanya sekitar 30 peratus daripada IKS tempatan mempunyai laman web dan menggunakan teknologi maklumat dalam operasi harian syarikat.

Selari dengan dengan kajian yang dilakukan oleh Google Southeast Asia di mana menunjukkan 82% industri kecil dan sederhana (IKS) di Malaysia menggunakan komputer hanya untuk urusan pejabat seperti penyediaan bil dan invoice. Selain itu, 94 peratus daripada pengusaha IKS tidak mempunyai pendedahan kepada e-dagang di samping hanya 53 peratus yang mempunyai laman web korporat tanpa keupayaan menggunakan e-dagang (Hunt, 2009).

Bagi Hernandez, Jimenez dan Martin (2009), kepercayaan (belief), kecekapan diri (self efficacy), persepsi kemudahangunaan dan persepsi kebergunaan mempunyai kesan terhadap penerimaan e-dagang. Mengambil kira kepentingan e-dagang dalam perniagaan masa kini, kajian ini dilihat signifikan bagi mengetahui sejauh mana syarikat boleh menggunakan e-dagang di kalangan pengurusan atasas syarikat industri kecil dan sederhana (IKS) khususnya di Sabah. Memandangkan kurangnya kajian empirikal mengenai tahap penerimaan e-dagang di Sabah, kajian ini boleh dijadikan asas kepada perancangan pihak berkenaan bagi menggalakkan lagi penggunaan e-dagang khususnya di kalangan pengusaha IKS.
Penyataan Masalah

Sungguhpun berbagai inisiatif telah dilakukan oleh kerajaan bagi menggalakkan penggunaan e-dagang di kalangan pengusaha industri kecil dan sederhana (IKS), namun terdapat jurang ketara di antara pertambahan pengguna internet dengan jumlah pengguna yang membuat urusan jual beli secara atas talian khususnya e-dagang di kalangan pengusaha industri kecil dan sederhana (IKS) di Malaysia. Di samping itu, statistik-statistik yang dikeluarkan oleh agensi kerajaan mahupun swasta, jelas menunjukkan bahawa penerimaan e-dagang di Malaysia masih pada tahap yang rendah.


Ekoran daripada isu penggunaan e-dagang yang masih rendah, timbul beberapa persoalan mengenai jurang ini yang seterusnya menurunkan penerimaan serta tahap penggunaan e-dagang keseluruhannya.

Model kerangka yang digunakan dalam kajian ini berasaskan Model Penerimaan Teknologi (TAM). Walau bagaimanapun, fokus kajian ini hanya kepada niat bertingkah laku untuk menggunakan e-dagang di kalangan pengurusan atasan industri kecil dan sederhana di Sabah dan bukannya menjurus kepada penerimaan serta tahap penggunaan e-dagang keseluruhannya.

### Ulasan Karya

**E-dagang**


Menurut Watson, Akselsen dan Pitt (1998), e-dagang melibatkan penggunaan teknologi maklumat untuk meningkatkan komunikasi dan transaksi dengan semua stakeholder organisasi seperti pelanggan, pembekal, agensi kerajaan, institusi kewangan, pengurus, pekerja dan orang

Menurut Simpson dan Docherty (2004), transaksi perniagaan menggunakan laman web boleh dibahagikan kepada dua kategori iaitu:

i. Perniagaan ke pelanggan (B2C). Transaksi atas talian dengan pelanggan khususnya peruncitan.


Secara keseluruhannya, e-dagang dapat disimpulkan sebagai kegiatan ekonomi bercorak komersial yang digabungkan dengan sistem teknologi pengkomputeran (Skoularidou & Tzelepis, 1998).

**Model Penerimaan Teknologi (Technology Acceptance Model - TAM)**

Model Penerimaan Teknologi (TAM) telah dibangunkan untuk mengukur kepuasan penggunaan, penerimaan dan penggunaan terhadap sistem tersebut (Davis et al., 1989). Model Davis memberi tumpuan khusus terhadap penggunaan sistem maklumat. Model Penerimaan Teknologi (TAM) berasal daripada Theory of Reasoned Action (TRA) yang berkaitan dengan tingkah laku. TRA mencadangkan kepercayaan mempunyai pengaruh ke atas sikap dan membawa kepada niat (intention) serta membentuk tingkah laku (Ajzen & Fishbein, 1980).


*Model Penerimaan Teknologi (Technology Acceptance Model)*
Menurut Lu dan Yongsheng (2009), TAM yang dikemukakan oleh Davis et al. (1989) adalah berasaskan Teori Sikap Rasional (TRA) bertujuan untuk menjelas dan meramalkan tingkah laku pengguna masa hadapan selepas interaksi singkat dengan sesuatu sistem yang digunakan. Model Penerimaan Teknologi ini meletakkan dua elemen kepercayaan iaitu persepsi kebergunaan dan persepsi kemudahgunaan dan ianya berkaitan dengan tingkah laku penerimaan pengguna.

Model Penerimaan Teknologi TAM terdiri daripada lima unsur utama iaitu persepsi kebergunaan, persepsi kemudahgunaan, sikap terhadap penggunaan, niat bertingkah laku dan penggunaan sebenar sistem. Persepsi kebergunaan dan persepsi kemudahgunaan dipengaruhi oleh faktor-faktor luaran. Sikap terhadap penggunaan dan persepsi kebergunaan daripada penggunaan sesuatu sistem akan mempengaruhi niat bertingkah laku. Manakala, penggunaan sebenar sistem ditentukan oleh niat bertingkah laku (Ying & Qi, 2010).


Kajian yang dilakukan oleh Pei dan Jun (2010) menggunakan TAM, menguji hubungan sebab dan akibat dari aspek persepsi kemudahgunaan, kebergunaan, sikap, kebolehpercayaan, niat bertingkah laku dan tingkah laku sebenar, yang wujud di kalangan pembeli secara atas talian yang dipengaruhi faktor pengalaman. Persepsi kebergunaan dan persepsi kemudahgunaan mempengaruhi niat bertingkah laku pengguna. Hasil kajian tersebut yang menggunakan soal selidik mendapati kesemua pembolehubah mempunyai hubungan signifikan terhadap faktor pengalaman pembeli secara atas talian.

Kajian mengenai perkhidmatan pesanan ringkas (SMS) di kalangan wanita Melayu oleh Norizah dan Siti Zobidah (2008) yang menggunakan Model Penerimaan Teknologi mendapati model
ini sesuai diaplikasikan. Dalam kajian tersebut, pembolehubah yang diuji terdiri daripada persepsi kegunaan, persepsi kemudahgunaan, perkhidmatan yang menyenangkan serta kos perkhidmatan.

Metodologi


Teknik pensampelan rawak mudah (simple random sampling) digunakan dalam kajian ini untuk sampel daripada senarai IKS yang diperolehi daripada laman web Small and Medium Industries Development Corporation (SMIDEC). Menurut Wong et al. (2009), teknik pensampelan rawak mudah adalah untuk memastikan responden daripada pelbagai syarikat mempunyai kebarangkalian yang sama untuk dipilih semasa proses kajian.


Sebanyak 550 borang soal selidik dihantar kepada responden menggunakan e-mail, atau pos. 281 borang soal selidik lengkap yang diperoleh daripada responden. Jumlah borang soal selidik ini hanyalah 51.1 peratus daripada sejumlah 550 borang soal selidik yang diedarkan.

Analisis Data

Profil Responden


**Jadual 1: Analisis deskriptif jantina responden**

<table>
<thead>
<tr>
<th>Jantina:</th>
<th>Frekuensi</th>
<th>Peratusan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lelaki</td>
<td>92</td>
<td>32.7</td>
</tr>
<tr>
<td>Perempuan</td>
<td>189</td>
<td>67.3</td>
</tr>
<tr>
<td>Jumlah</td>
<td>281</td>
<td>100</td>
</tr>
</tbody>
</table>

Hasil daripada ujian deskriptif ke atas 281 responden, jumlah responden perempuan adalah yang paling tinggi iaitu sebanyak 67.3 peratus berbanding responden lelaki hanya 32.7 peratus.

**Jadual 2: Analisis deskriptif tahap pendidikan responden**

<table>
<thead>
<tr>
<th>Tahap Pendidikan</th>
<th>Frekuensi</th>
<th>Peratusan</th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
<td>4.3</td>
<td></td>
</tr>
<tr>
<td>128</td>
<td>45.6</td>
<td></td>
</tr>
</tbody>
</table>

586
Kajian juga mendapati bilangan responden yang memiliki tahap pendidikan diploma merupakan bilangan yang paling ramai iaitu sebanyak 50.2 peratus, tahap pendidikan sekolah menengah iaitu SPM/STPM 45.6 peratus. Ini diikuti oleh responden yang mempunyai tahap pendidikan sekolah rendah sebanyak 4.3 peratus.

**Jadual 3: Analisis deskriptif jawatan responden**

<table>
<thead>
<tr>
<th>Jawatan:</th>
<th>Frekuensi</th>
<th>Peratusan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pengurusan peringkat tertinggi</td>
<td>123</td>
<td>43.8</td>
</tr>
<tr>
<td>Pengurusan peringkat pertengahan</td>
<td>93</td>
<td>33.1</td>
</tr>
<tr>
<td>Pengurusan peringkat rendah</td>
<td>65</td>
<td>23.1</td>
</tr>
<tr>
<td>Jumlah</td>
<td>281</td>
<td>100</td>
</tr>
</tbody>
</table>

Analisis yang dilakukan menunjukkan pengurusan peringkat tertinggi mewakili 43.8 peratus daripada responden. Manakala pengurusan peringkat pertengahan mewakili 33.1 peratus dan pengurusan peringkat rendah sebanyak 23.1 peratus.

**Jadual 4: Analisis deskriptif akses internet**

<table>
<thead>
<tr>
<th>Akses internet di rumah:</th>
<th>Frekuensi</th>
<th>Peratusan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ya</td>
<td>228</td>
<td>81.1</td>
</tr>
<tr>
<td>Tidak</td>
<td>53</td>
<td>18.9</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Akses internet di tempat kerja:</th>
<th>Frekuensi</th>
<th>Peratusan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ya</td>
<td>221</td>
<td>.78.6</td>
</tr>
<tr>
<td>Tidak</td>
<td>60</td>
<td>21.4</td>
</tr>
</tbody>
</table>

81.1% responden yang memiliki akses internet dari rumah samaada menggunakan talian tetap atau *broadband* dan 78.6% dapat akses internet di tempat kerja.

**Jadual 5: Analisis deskriptif pengalaman responden menggunakan e-dagang**

<table>
<thead>
<tr>
<th>Pernah menggunakan e-dagang</th>
<th>Frekuensi</th>
<th>Peratusan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ya</td>
<td>90</td>
<td>32.0</td>
</tr>
<tr>
<td>Tidak</td>
<td>191</td>
<td>68.0</td>
</tr>
</tbody>
</table>
Bilangan responden yang pernah menggunakan e-dagang juga sangat rendah iaitu sebanyak 32.0 peratus berbanding dengan jumlah responden yang tidak pernah menggunakan e-dagang sebanyak 68.0 peratus. Ini jelas menunjukkan bahawa penggunaan e-dagang di kalangan responden adalah sangat rendah.

**Ujian Kebolehpercayaan**

Analisis kebolehpercayaan dilakukan bagi menilai tahap kebolehpercayaan data yang diperolehi melalui soal selidik yang diedarkan kepada respondent. Hasil daripada ujian kebolehpercayaan ke atas pembolehubah-pembolehubah yang digunakan dalam kajian ini adalah seperti di Jadual 5.

**Jadual 5: Kebolehpercayaan kajian rintis dan kajian sebenar**

<table>
<thead>
<tr>
<th>Faktor</th>
<th>Bilangan Item</th>
<th>Cronbach Alpha (α)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Kajian Rintis</td>
<td>Kajian Sebenar</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Persepsi Kebergunaan</td>
<td>14</td>
<td>0.904</td>
</tr>
<tr>
<td>Persepsi Kemudahgunaan</td>
<td>6</td>
<td>0.842</td>
</tr>
<tr>
<td>Niat Bertingkah laku</td>
<td>9</td>
<td>0.920</td>
</tr>
</tbody>
</table>

**Analisis Regresi**

Bagi menentukan kekuatan pengaruh pembolehubah tidak bersandar ke atas pembolehubah bersandar, ujian regresi berganda telah dilakukan. Hasil daripada ujian regresi tersebut adalah seperti di Jadual 6.

**Jadual 6: Ujian regresi berganda pembolehubah tidak bersandar ke atas pembolehubah bersandar**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std.error</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>0.304</td>
<td>.217</td>
<td>1.399</td>
</tr>
<tr>
<td>Persepsi kebergunaan</td>
<td>0.657</td>
<td>.068</td>
<td>9.630</td>
</tr>
<tr>
<td>Persepsi kemudahgunaan</td>
<td>0.203</td>
<td>.058</td>
<td>3.513</td>
</tr>
</tbody>
</table>

* Pembolehubah bersandar : Niat bertingkah laku; \( R^2 = .407 \)

Sebanyak 40.7 peratus variasi \( (R^2) \) dapat diterangkan oleh kedua-dua pembolehubah tidak bersandar iaitu persepsi kebergunaan dan persepsi kemudahgunaan. Bagaimanapun, baki 59.3 peratus tidak dapat dijelaskan oleh model ini. Ini bermakna terdapat faktor-faktor di luar kawalan pengkaji.

Persepsi kebergunaan sebagai pembolehubah tidak bersandar didapati mempunyai pengaruh yang signifikan terhadap niat bertingkah laku untuk menggunakan e-dagang \( (\beta = .657; p = 0.000) \). Ini menunjukkan persepsi kebergunaan merupakan peramal yang paling signifikan mempengaruhi niat bertingkah laku untuk menggunakan e-dagang di kalangan pengurusan atasan industri kecil dan sederhana (IKS).

Berdasarkan keputusan ujian regresi berganda dalam Jadual 6, telah menunjukkan bahawa koefisien piawai bagi pembolehubah persepsi kemudahgunaan terhadap niat bertingkah laku untuk menggunakan e-dagang iaitu \( (\beta = .203; p = 0.001) \). Ini menunjukkan bahawa persepsi kemudahgunaan juga mempunyai pengaruh yang signifikan terhadap
pembolehubah bersandar iaitu niat bertingkah laku untuk menggunakan e-dagang di kalangan pengurusan atasan industri kecil dan sederhana.

Hasil daripada ujian regresi yang dilakukan, persamaan linear regresi yang boleh dibentuk bagi meramalkan niat bertingkah laku menggunakan e-dagang adalah seperti berikut:

\[ Y = 0.304 + 0.657 X_1 + 0.203X_2 \]

\[ Y = \text{niat bertingkah laku} \]
\[ \text{Nilai constant} = 0.304 \]
\[ X_1 = \text{persepsi kebergunaan} \]
\[ X_2 = \text{persepsi kemudahgunaan} \]

Ini bermakna, pertambahan dalam 1 unit persepsi kebergunaan akan menyebabkan niat bertingkah laku meningkat sebanyak 0.657 unit. Manakala, jika persepsi kemudahgunaan meningkat sebanyak 1 unit, niat bertingkah laku akan bertambah 0.203 unit.

**Kesimpulan dan Perbincangan**


Walau bagaimanapun, nilai \(R^2\) dalam model kajian ini hanya 0.407 berbanding dapatan kajian oleh Sarina et al. (2007) iaitu \(R^2 = 0.660\). Model dalam kajian ini hanya dapat menerangkan 40.7 peratus varians berbanding 66 peratus yang diperolehi oleh Sarina et al. (2007). Ini adalah kerana, pengkaji hanya menggunakan dua pembolehubah tidak bersandar berbanding Sarina et al. (2007) yang memasukkan lima pembolehubah tidak bersandar. Ini mungkin menunjukkan bahawa semakin banyak faktor atau pembolehubah yang dikaji, maka semakin banyak varians yang mampu diterangkan oleh model kajian yang digunakan.

Keseluruhannya, keputusan yang diperolehi dari kajian ini telah menunjukkan wujudnya pengaruh signifikan positif di antara pembolehubah tidak bersandar terhadap pembolehubah bersandar.
Rujukan


Kompetensi Pembelajaran, Struktur Organisasi Dan Prestasi Perusahaan Kecil Dan Sederhana Di Utara Semenanjung Malaysia.

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Absrtak


1.0 Pengenalan

Perusahaan Kecil dan Sederhana (PKS) amat diberikan perhatian di dalam polisi pembangunan ekonomi dan sosial sama ada di negara-negara majupun di negara-negara membangun. Ini adalah kerana peranan yang besar yang telah dimainkan oleh sektor PKS telah diakui oleh ramai para penyelidik (Smallbone, 2004; Nijhawan dan Dubas, 2007 dan Habaradas, 2008). Di Malaysia, sektor PKS juga merupakan komponen penting dalam pembangunan ekonomi dan sosialnya (SMIDEC, 2006; Bank Negara, 2006). Hampir 97.5% firma di Malaysia adalah dalam bentuk PKS. Sebanyak 52.7% dari keseluruhan peluang tenaga kerja adalah dibekalkan oleh sektor ini.


2.0 Pernyataan Masalah


Menurut Miller (1987) antara faktor-faktor kejayaan dan kegagalan seseorang usahawan tersebut adalah bergantung kepada kualiti personal, strategi keusahawanan, ketersediaan sumber dan juga keadaan-keadaan persekitaran usahawan tersebut.


3.0 Sorotan Literatur Dan Hipotesis Kajian

3.1 Konsep Kompetensi


3.2 Kompetensi Keusahawanan

3.3 Kompetensi Pembelajaran


Rajah 1.2

Langkah-langkah dalam rantaian nilai yang menukarkan pembelajaran kepada hasil dan impak terhadap sesuatu kejayaan

<table>
<thead>
<tr>
<th>Persediaan</th>
<th>Arahan</th>
<th>Pindah &amp; aplikasi</th>
<th>Hasil</th>
<th>Garis penamat yang baru</th>
</tr>
</thead>
</table>


3.4 Usahawan

Tugas seseorang usahawan yang berjaya ialah mereka yang berupaya mengadunkan semua sumber-summer yang ada di dalam persekitaran mereka dengan mencari, meraih dan menukarkan peluang-peluang yang ditemui menjadi sebuah perniagaan yang berjaya (Gnyawali dan Fogel, 1994). Begitu juga dengan pandangan Shane dan Venkantaraman (2000) yang melihat definisi usahawan sebagai:

“Entrepreneurship is an activity that involves discovery, evaluation, and exploitation of opportunities to introduce new goods and services, ways of organizing, market, proces, and raw materials through organizing efforts that previously have not existed”

3.5 Struktur Organisasi

Mintzberg (1979) melihat struktur organisasi sebagai:

“The structure of an organization can be defined simply as the sum total of the ways in which (labour is devided) into distinct task and then its (coordination) is achieved among this tasks”

struktur ini menggambarkan sama ada aktiviti-aktiviti sesebuah organisasi itu diuruskan dalam bentuk birokratik atau pun dalam bentuk organik (Pugh, Hickson, Hining dan Tuner, 1968; Aiken dan Hage, 1968; Ruekert, Walker dan Roering, 1985)

### 3.6 Prestasi Perniagaan

Di dalam konteks PKS, prestasi boleh dirujuk sebagai keberkesanan sesebuah enterprais di dalam usaha untuk mencapai objektif-objektif yang dirancang oleh mereka (Maidique dan Zirger, 1985).

Untuk menemui hasil yang lebih bermakna penyelidik telah merangkumkan kajian-kajian di peringkat individu dan organisasi lantas cuba melihat impaknya terhadap prestasi PKS. Ini adalah selaras dengan pandangan Chandler dan Hanks (1994a) bahawa kajian tentang prestasi memerlukan penyelidikan dan pembangunan teori di dalam tiga peringkat iaitu peringkat individu, organisasi dan persekitaran. Kajian ini juga adalah selaras dengan pandangan Schein (1978) bahawa prestasi pemilik perniagaan diukur menerusi prestasi organisasi, yang dipengaruhi seterusnya oleh persekitaran di mana organisasi tersebut wujud (Covin dan Slevin, 1989; 1999)

Dimensi prestasi yang digunakan di dalam kajian ini ialah dalam bentuk persepsi pemilik PKS terhadap jualan dan keuntungan. Kaedah ini juga telah digunakan oleh Man (2001) untuk mengukur pengaruh kompetensi keusahawanan ke atas prestasi PKS beliau

### 3.7 Hubungan Kompetensi Pembelajaran Terhadap Prestasi PKS


Kepentingan kompetensi pembelajaran seseorang itu ialah di dalam mengendalikan tugas-tugas mengurus dan merangka serta melaksanakan sesuatu strategi.


3.8 Struktur Organisasi Sebagai Penyederhana Perhubungan Diantara Kompetensi Pembelajaran Dan Prestasi PKS


4.0 Model Kajian

Berdasarkan kepada perbincangan di atas, maka satu cadangan kerangka kajian seperti di bawah telah dibina.

Rajah 1.3
Cadangan Kerangka Kajian

![Diagram: Struktur Organisasi, Kompetensi Pembelajaran, Prestasi PKS]
5.0 Teori Dasar


6.0 Kesimpulan

Sejak kebelakangan ini kajian tentang hubungan antara kompetensi pembelajaran dan prestasi para usahawan khususnya dari golongan PKS telah mendapat perhatian yang sangat meluas dikalangan ahli akademik, pihak pemerintah dan pihak swasta. Dapatan-dapatan dari kajian terdahulu mendapati pengetahuan hasil dari pembelajaran sangat signifikan kepada perkembangan sesuatu organisasi. Pebelajaran boleh diperolehi menerusi keterlibatan seseorang usahawan itu secara langsung ataupun secara tidak langsung.

Kajian ini diharapkan akan dapat membantu para pembuat dasar untuk merangka strategi-strategi latihan kepada para usahawan dan bakal-bakal usahawan untuk membantu mereka meningkatkan keupayaan berfikir dan dapat merumuskan sesuatu keputusan berdasarkan kepada struktur organisasi yang mereka bentuk

Rujukan:


Small and Medium Industry Development Corporation (SMIDEC, 2006); *Annual Report*, Kuala Lumpur; Percetakan Nasional Berhad


Entrepreneurial Development via Franchising: Some Malaysian Case Studies

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Abstract  
The Malaysian government’s goal of creating a Bumiputera Commercial and Industrial Community (BCIC) has been clearly spelt out in the Second Outline Perspective Plan (OPP2) 1991-2000 and also the National Development Policy (NDP). One of the strategies proposed towards achieving this objective was through the use of franchising as a vehicle for entrepreneurial development. Hence, in 1991 a blueprint, “The Franchise System: A Strategy Towards Creating a Bumiputera Commercial and Industrial Community” (JPM, 1991) was formulated to encourage Bumiputeras to take up franchising as an alternative route towards operating and managing a business venture.

As it has been two decades since this blueprint was put forward, it would be timely to review and evaluate to what extent this strategy has been successful towards creating the BCIC. This paper discusses how franchisees learn and benefited via the integrated model of franchisee learning proposed by Hoe and Watts (1999), which would provide an accelerated learning process for the Bumiputeras.

Key Words: Entrepreneurial development, Franchisee, Franchising, Malaysian Case Studies

1.0 INTRODUCTION

Entrepreneurship has been said to fuel economic growth, creating employment and prosperity. The greatest example of national commitment to entrepreneurship and economic progress is the United States (GEM, 1999). Hence, it is not surprising that entrepreneurship is at the top of the public policy agenda because of the seemingly unambiguous relationship between the level of entrepreneurial activity within a country and that country’s degree of prosperity. In the case of Malaysia, entrepreneurial development has been identified as one of the strategies to eradicate poverty and restructure society. The Malaysian government’s goal of creating a Bumiputera Commercial and Industrial Community (BCIC) has been clearly spelt out in the Second Outline Perspective Plan (OPP2) 1991-2000 and also the National Development Policy (NDP). In this context, the New Economic Policy (NEP, 1970 – 1990) and the New Development Policy (1991 – 2000) have been formulated by the Malaysian government to encourage Bumiputera entrepreneurial development.

In recent years, the role of franchising as a type of entrepreneurial activity in economic development is beginning to receive attention (Falbe, Dandridge and DuPuis, 1991). The rapid development of franchising and the turbulent environment has resulted in franchising being viewed differently – it is more than just a form of business; franchising is a strategy (Adnan, 1994; Hoe, 2003). This is line with Longenecker and Moore’s (1991) contention that, franchising concepts help aspiring

1 Bumiputera – indigenous ethnic Malays
entrepreneurs to realise their dreams of owning and operating a business venture. On the basis of the above contention, one of the strategies proposed towards achieving the objective of creating a Bumiputera Commercial and Industrial Community in Malaysia was through the use of franchising as a vehicle for entrepreneurial development. Hence, a blueprint, “The Franchise System: A Strategy Towards a Bumiputera Commercial and Industrial Community” (JPM, 1991), was formulated to encourage Bumiputeras to take up franchising as an alternative route towards owning, operating and managing a business venture. The rational behind this policy is that a new franchisee enjoys an accelerated process of learning through the formal training and support provided by the franchisor under the franchise contract (Hoe and Watts, 1999). Thus, a significant assumption made here is that franchisees undergo a learning process that equips them to be independent entrepreneurs.

2.0 THEORETICAL OVERVIEW

2.1 Definition of Franchising

The term ‘franchising’ is currently used to describe several forms of activity: ‘Monopoly franchising’ refers to the granting of exclusive rights - cable television for example - by a government authority via competitive bidding (Elango and Fried 1997). In ‘product’ or ‘tradename’ franchising, franchisees are granted rights to distribute a manufacturer’s product in a specified territory or location, for example petrol or soft drinks (Chan 1994). The most recent development is ‘business format’ franchising, which involves ‘the granting of rights by a company (the franchisor) for a third party (the franchisee) to operate their business system using a common brand and common format for promoting, managing and administering the business’ (DTI, 1997). It is business format franchising which is the focus of this paper.

Traditionally, entrepreneurship scholars have focussed their attention on independent entrepreneurship rather than on co-operative entrepreneurship (Shane and Hoy, 1996). Entrepreneurs join co-operative arrangements such as franchise systems, network partnerships and constellations of firms in order to gain a competitive advantage over rivals (Baucus, Baucus and Human, 1996). The advantages reaped are the reduction in production and inventory costs, faster product development, market expansion and the securing of technology while at the same time enjoying congenial business relations with its partners (Larson, 1992; as cited in Baucus, Baucus and Human, 1996; Hoe, 2001). Thus, this reduced focus of research on cooperative entrepreneurship has left aside exploration of a major portion of entrepreneurship activity. One of such unexplored cooperative entrepreneurship is franchising. Franchising is the most pervasive and fastest growing form of cooperative venture among entrepreneurs. It has been described by John Naisbitt in his best-selling book, Megatrends, as “…the single most successful marketing concept ever…the wave of the future…” (Rensi, 1995). Thus, considering that franchising is sweeping into the rest of the world, it is an opportune time to take stock of Malaysia’s own experience in using franchising as an entrepreneurial development vehicle since it was initiated a decade ago.
2.2 Is Franchising Entrepreneurial?

English and Hoy (1981) has examined the notion of the franchisees as innovating entrepreneurs and have suggested that multi-unit franchisees (which are common among restaurant franchisees) may be fruitful grounds for further research into franchisee entrepreneurs/innovators. Similarly, Shane and Hoy (1996) have also introduced the notion of the franchise as an entrepreneurial venture. This contention counters the generally accepted wisdom that franchising is the antithesis of entrepreneurship. This is because franchising, by definition is simply the replication of a format proven successful by others, thus excluding creativity which has been identified as one of the prerequisites for one to be considered as entrepreneurs. Nevertheless, the very act of creating a franchise network is an act of entrepreneurship. In fact, franchisors seek and prefer individuals who are enterprising and entrepreneurial by nature. Various studies have shown that number independently owned franchised outlets versus company-owned are not only owned in greater numbers by franchisees but are also more profitable. Statistics from the International Franchise Association has shown that a majority of their franchise members have franchisees whose unit assets exceed the value of their franchisors. Many of the franchisors depend on franchisee experimentation to generate the innovations that keep their organisations healthy and competitive. An excellent case in point is that of how Ito-Yokado Co. Ltd. Of Japan, a long-time licensee of the Southland Corporation’s 7-Eleven store chain not only acquired its parent company and but has also begun implementing the Japanese firm’s management techniques at 7-Eleven stores in the US in 1991 (Sparks, 2000). Toshifumi Suzuki, Ito-Yokado’s charismatic leader spearheaded the revamp of Southland by creating an image for the company and providing the unifying vision to all its franchise outlets. According to Mintzberg (1983), “adhocracy” is the most creative and innovative organisational form. Accordingly, franchises are typically organised into more hierarchical structures along the lines of what is termed by Mintzberg as “machine bureaucracy”. Consistent with this perspective, franchisors have always been claimed to be “seeking replication not innovation and conformity not creativity” from their franchisees (English and Hoy, 1995; as cited in Stanworth et al, 1996). But interestingly, it is this very homogeneity which may actually provide both the speed of diffusion and ease of implementation of an innovation within a franchise system. At the operational level, the reality appears to be often one facilitating innovative expression of franchise autonomy. It has been shown that even within more mechanistic structures, entrepreneurship and innovation can still function (Pinchot, 1986; Smith, and Seawright, 2011). “Intrapreneurs” the term used by Pinchot in referring to entrepreneurs within corporations, can still manage to innovate in structured environments, often by creating a pool of adhocratically organised space within a broader mechanistic whole.

Franchising is experiencing rapid expansion (Kostecka, 1989) and with the current business environment for franchising becoming highly competitive and undergoing rapid change, entrepreneurial behaviour is considered to be essential for success in this type of environment (Drucker, 1985; Kanter, 1983). Increasingly, franchisors are recognising that ideas for new products and services in franchising frequently come from the field (Dandridge and Falbe, 1994; Love, 1986) and the franchisees whom are immersed in the deep end of the local market. This indicates that as competition increases, it will be necessary for franchisors to foster entrepreneurial behaviour at the local level while they continue to preserve the integrity of their system of franchising.

In America, the role of franchising in rural economic development is just beginning to receive attention (Falbe, Dandridge and DuPuis, 1991). The paradox of franchising entrepreneurship which is entrepreneurial energy combined with working in a supportive system, may be especially appropriate in a rural setting to provide some of the factors lacking in the environment and assist to increase the survival rates of new organisations. This interest in the role of franchising in rural economic development stems first, from the significant role that franchising is playing in the delivery of services in the economy and second, from the assumption that franchise resources can provide a functional substitute for some of the environmental disadvantages associated with a rural location. Franchisees are provided with a variety of assistance and support. These come in the form of finance, site
selection, co-operative advertising, training and assistance with store opening. Increasingly, franchisors are willing to co-sign for bank loan commitments, overcoming a serious rural business problem of limited access to sources of funds. Franchising therefore, can arguably be used a stable platform on which a rural resident can build a long term future, at the same time that the franchise represents a formidable competitor to existing and long standing independent rural businesses. The core issues of the franchise, namely the business system, innovation in technology and proactive approaches to marketing and competitors are real resources to a new business in a rural environment and shorten the distance of rural entrepreneurs from technological and service resources. In addition franchising does bring with it the needed services to rural areas and provide training and experience which residents can subsequently use in other ventures.

From the above discussion, it can be seen that there are contrasting views as to the degree which franchisees might appropriately be described as ‘entrepreneurs’. It is beyond the scope of this paper to explore this concept in definitional terms, but many commentators have characterised franchisees as entrepreneurial. In a recent study, for example by Miner (1997) views the success of a franchisee and entrepreneurial success as one and the same. An alternative view, however, is that in some dimensions franchisees are non-entrepreneurial in their behaviour, in that, for example, a franchisee elects to accepts limitations of independence and autonomy in return for risk reduction. Entrepreneurs are often described as taking ‘careful risks’, and franchise is a way of trading some freedom for risk reduction (Falbe and Dandridge, 1991, Hamilton and Watts, 1998). For this reason, a conventional view has been to place the franchisee as a type mid-way on a continuum between independent entrepreneurs and employed managers. However, Stanworth (1993) concluded that franchisees do not differ appreciably in background or motivation from independent entrepreneurs.

### 2.3 Economic Benefits of Franchising

Advocates of franchising have claimed numerous economic benefits of franchising (Hunt, 1972; Hunt, 1977). Among the more significant benefits listed by Hunt (1972; 1977) that make franchising as an attractive business venture to aspiring businesspeople include:

- a) Greater opportunities for individuals to become independent businesspeople.
- b) Lower failure rates than other businesses.
- c) Greater opportunities for ethnic minority group members to own their own business.

Apart from Malaysia, some Central European Countries (CEC) have also started to consider franchising as a tool for social and economic change and development (Pavlin, 1996). The current, rapidly changing situation in these transitional countries such as the Czech Republic, Hungary, Poland, Slovakia and Slovenia have been using franchising as a method of privatisation. Franchising has facilitated ownership acquisition to small investors.

### 2.4 Franchising as a Catalyst for Entrepreneurial Development

According to Lado and Vozikis (1996), there are various approaches that can be used to promote and foster entrepreneurial development in developing countries. One of these is by using the transfer of
technology. In this respect, franchising can be utilised as the mode for technology transfer or expertise for the promotion of entrepreneurs. The transfer of franchise know-how by franchisors can be viewed as a process of providing franchisees with access to value-added business as well as the marketing technique and managerial support implicit to franchised firms. According to Stanworth, Price, Porter, Swabe and Gold (1995), an implicit feature of a franchise system is the concept of technological transfer and the 'learning organisation'. Technology transfer refers to skills and know-how rather than just machinery and hardware and the wider process relates to methods of organisation and operation, quality control and other manufacturing procedures. Three levels of technology transfer (table 2) which could be aligned to the context of franchise systems were identified by Dahlman and Westphal (1983). The first level refers to the operating capability required to operate a technology such as the running and maintaining of a business unit. Level two is the investment capability required to create new productive capacity such as establishing new business units or outlets. The third level is the innovative capability, which is the ability to modify and improve methods and products. Based on this argument, franchising offers an attractive option to aspiring entrepreneurs for starting a small business.

### Table 2: Three levels of technology transfer via Franchising

<table>
<thead>
<tr>
<th>Level 1</th>
<th>Operating Capability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level 2</td>
<td>Investment Capability</td>
</tr>
<tr>
<td>Level 3</td>
<td>Innovative Capability</td>
</tr>
</tbody>
</table>

#### 2.5 What and how do franchisees learn?

An emerging research theme is the learning undergone by independent entrepreneurs (Deakins and Freela, 1998; Watts, G., Cope, J. and Hulme, M., 1998, Watts and Hoe, 2000; Watts and Hoe 2002). However, to date there has been very little research focussed on the learning experiences of franchisees (Elango and Fried, 1997). Compared with an independent business owner-manager, a franchisee is both advantaged and disadvantaged in terms of learning opportunities. Most, but not all, franchisors provide a substantial package of formal initial training in the operation of the franchise and, in some cases, continuing training support. In some cases, there is also formal training provided by the supplier or suppliers. The franchise system may also facilitate networking with peer franchisees on a formal or informal basis. However, the franchisee may be disadvantaged through the imposition of a rigid business format which does not allow experimentation and therefore limits the franchisee’s opportunities for proactive experiential learning.

From an earlier study by Hoe and Watts (1999; 2002), an integrated model of franchisee learning (figure 1 below) demonstrates the scope of learning experienced by franchisee which included the following components:

i) Formal transmission of explicit knowledge through formal training provided by the franchisor and, in some cases, by suppliers and other agencies.

ii) Transmission of tacit and explicit knowledge through other formal interaction with franchisor, suppliers, customers and other agencies.
iii) Informal transmission of tacit knowledge through informal interactions with the franchisor, suppliers, other franchisees, customers and other agencies.

iv) Accumulation of tacit knowledge through operational experience of running the business.

v) Learning through reflection on past and future events.

Figure 1: Franchisee Learning: an integrated model

3.0 RESEARCH METHODOLOGY

This study comprised a series of 14 in-depth, face-to-face interviews with a diverse sample of franchisees in terms of educational and prior business backgrounds, gender, ethnic identity and business sector. The interviews explored the background and earlier career history of the franchisee, their experience of managing the franchise, the history and development of the business and, as a specific focus, the nature and sources of learning. The scope of learning as broadly defined by Watts and Hoe (2000; 2002), embraced:

(i) interactive learning, both formal and informal, including both ‘top-down’ learning through transmission of knowledge from the franchisor and ‘horizontal’ learning from other franchisees, suppliers, customers, and other networks and contacts.

(ii) the accumulation of tacit knowledge through the day-to-day experience of running the business.

(iii) learning gained through reflection on past experiences and anticipated future events.
(iv) learning outcomes in terms of personal development, changes in self-concept and aspirations

3.1 Sample Profile

The fourteen respondents represented 8 different franchise systems, both overseas and indigenous in origin. The sectors embraced by the sample were snack and fast food, hotels, photo shop, pharmacy and optician. The sample is described in table 1 below, which summarises key characteristics of both the franchisees and the franchise systems that they represent:

Table 1: Profile of Franchisee Respondents

<table>
<thead>
<tr>
<th>No</th>
<th>Age</th>
<th>Sex</th>
<th>No. Years as franchisee</th>
<th>Prior business experience</th>
<th>No. of outlets owned</th>
<th>Sector</th>
<th>Country of origin</th>
<th>No. of outlets in Malaysia</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>30</td>
<td>F</td>
<td>2</td>
<td>Medium</td>
<td>1</td>
<td>Food (snacks)</td>
<td>Malaysian</td>
<td>55*</td>
</tr>
<tr>
<td>2</td>
<td>30</td>
<td>F</td>
<td>3</td>
<td>Low</td>
<td>2</td>
<td>Optical</td>
<td>Malaysian</td>
<td>N/A**</td>
</tr>
<tr>
<td>3</td>
<td>47</td>
<td>F</td>
<td>2</td>
<td>None</td>
<td>1</td>
<td>Food (snacks)</td>
<td>American</td>
<td>35</td>
</tr>
<tr>
<td>4</td>
<td>33</td>
<td>M</td>
<td>3</td>
<td>High</td>
<td>2</td>
<td>Food (snacks)</td>
<td>Malaysian</td>
<td>55*</td>
</tr>
<tr>
<td>5</td>
<td>26</td>
<td>F</td>
<td>1</td>
<td>Medium</td>
<td>2</td>
<td>Food (snacks)</td>
<td>Malaysian</td>
<td>55*</td>
</tr>
<tr>
<td>6</td>
<td>41</td>
<td>F</td>
<td>1</td>
<td>None</td>
<td>1</td>
<td>Food (snacks)</td>
<td>Malaysian</td>
<td>55*</td>
</tr>
<tr>
<td>7</td>
<td>37</td>
<td>F</td>
<td>3</td>
<td>Medium</td>
<td>3</td>
<td>Food (fast food)</td>
<td>Malaysian</td>
<td>75</td>
</tr>
<tr>
<td>8</td>
<td>47</td>
<td>M</td>
<td>9</td>
<td>High</td>
<td>5</td>
<td>Food (fast food)</td>
<td>French</td>
<td>38</td>
</tr>
<tr>
<td>9</td>
<td>30</td>
<td>F</td>
<td>2</td>
<td>Medium</td>
<td>1</td>
<td>Optical</td>
<td>Malaysian</td>
<td>NA**</td>
</tr>
<tr>
<td>10</td>
<td>27</td>
<td>M</td>
<td>4</td>
<td>Medium</td>
<td>1</td>
<td>Photo shop</td>
<td>American</td>
<td>300***</td>
</tr>
<tr>
<td>11</td>
<td>43</td>
<td>F</td>
<td>3</td>
<td>Medium</td>
<td>1</td>
<td>Pharmacy</td>
<td>American</td>
<td>NA**</td>
</tr>
<tr>
<td>12</td>
<td>45</td>
<td>F</td>
<td>4</td>
<td>Medium</td>
<td>1</td>
<td>Hotel</td>
<td>Malaysian</td>
<td>16****</td>
</tr>
<tr>
<td>13</td>
<td>47</td>
<td>M</td>
<td>4</td>
<td>Medium</td>
<td>1</td>
<td>Hotel</td>
<td>Malaysian</td>
<td>16****</td>
</tr>
<tr>
<td>14</td>
<td>52</td>
<td>M</td>
<td>4</td>
<td>High</td>
<td>1</td>
<td>Hotel</td>
<td>Malaysian</td>
<td>16****</td>
</tr>
</tbody>
</table>

* same franchise system  ** (N/A = not available ); same franchise system
*** estimated number of outlets  **** same franchise system
From the 14 cases, 3 cases of ethnic Bumiputera franchisees who have successfully operated their franchises were selected based on the achievement in moving forward to operating their own business ventures. These 3 cases provided the evidences that franchising does provided the platform for franchisees to learn to become entrepreneurs.

4.0 FINDINGS AND DISCUSSION

4.1 Three Malaysian Case Studies

Case A: PWN (Optician Franchise)

Ms. PWN who is an ethnic Bumiputera is 30 years old and holds a degree in Optometry from the National University of Malaysia. She was brought in a rural environment; her father is a farmer and her mother a housewife. None of her family members or relatives had previously been involved in business and hence, has not prior business exposure not business experience.

After graduating from university, PWN worked in a Chinese-owned optometry business for two years and later moved to a private optical shop whose owner was a not qualified optometrist. After working there for a while, the owner offered her a partnership but she declined the offer, wishing to go into business independently. After working for the Chinese-owned optical shop, she decided to become a franchisee of a Malaysian optometrist whose franchisor was a Chinese. PWN was the first franchisee of the parent company, which has a total of 14 franchised outlets in Malaysia.

She did not know much about franchising before becoming a franchisee. However, when she was approached by the franchisor, she bought a book on franchising and consulted her parents and her uncle. The government’s special interest and incentives in encouraging franchising were important in attracting her to franchising. She feels that through franchising she is provided with a system which works and that the franchisor is like ‘one parent’ to whom she can consult. The franchisor taught her a lot of things, from day one, beginning with how to negotiate with her landlord. The business development manager trained her in telephone skills, negotiation skills and the tricks of the trade. She was overwhelmed by what she saw and, in particular, how the business development manager conducted business negotiations, especially during the tenancy negotiations which were conducted in a very covert manner. At that time she was still relatively young and had not run a business by herself.

Formal Training

The initial training provided by the franchisor was limited and generally informal. The training was a mere two-day training session whereby the development manager and the franchisor personally came and trained the franchisee. Even though training in accounting was provided by the franchisor but WN felt that she has still not got a good grasp of the subject. With regard to product knowledge, the franchisor’s suppliers did most of the training through presentations and talks. The franchisor specifically asked her to attend a course for franchisees which was conducted by the Malaysian Entrepreneurial Development Centre. PWN felt that she only fully understood what franchising was about after attending this course as the franchisor had been telling her the positive aspects of franchising but not the negative side of things. This changed her mind-set and helped her to understand the franchisor better. She commented that if it were not for the training course which made
her understand the modus operandi of franchising, she would have “quarrelled with the franchisor a long time ago”.

Learning and Longer-term Plans

PWN feels that she has gained a lot of hands-on experience from running the franchise outlet. She interacts a lot with fellow franchisees from both her own and other franchises. They exchange and compare notes and she feels that by being with fellow franchisees they were better able to understand each other and give moral support whenever possible. She also learns from her suppliers who give her constructive comments. She also gets important feedback from her customers who inform her about pricing and the sort of services that competitors are providing.

Franchising has also provided her with a means of benefiting from the various government support programmes. If not for the fact that she is a franchisee, she feels that she wouldn’t be getting this support and assistance at all. ‘The whole support package from the franchisor…the moral, mental, products, finance, systems…the whole works made me learn faster’. She also says that if she were to have started on her own, she would not have been able to establish herself in the market since she is a Bumiputera entering an industry which until now has been dominated by the ethnic Chinese.

She feels good about the franchise and is very obliged to the franchisor who has given her so much support in terms of getting her franchise outlet started, providing funding and providing her with whatever she needs or asked for.

At the point of reporting this research, PWN is no longer a franchisee as her franchisor’s business has wound up. Since operating on her own, she has managed to add 6 new branches of her very own optical shops in the state of Kedah and Perlis. Her 7th outlet will be opened very soon as all the refurbishing and shop fixtures and equipment for this latest outlet have all been completed.

Case B: Ms. SMF (Budget Hotel Franchisee)

She was born in Alor Setar and possessed a Hotel and Catering Diploma from UiTM. In terms of her family background, her father was small trader selling clothes and cattle, whilst her mother was the homemaker. She fifth in a family of 12 and only she and her younger brother are involved in business. Her working experience was mostly in the hotel industry, having worked in hotels such the Genting Highlands, Kucing Holiday Inn, Merlin and the Straits Hotel in Malacca.

Business Opportunity

In terms of managing hotels, she had already wide managerial experience. The reason she took up the budget hotel franchise was because of the opportunity opened only to the Bumiputera community and the fact that Sungei was lacking a good hotel. Thus, she saw the potential and she grabbed the opportunity which was advertised in the newspapers.

Prior to becoming a franchisee, she had not knowledge what franchising was about. Even though she was attracted by the Malaysian government’s call for Bumiputera to become franchisees, she still did
not know what is franchising. It was a learning process for her. I now realised that the franchise business is not that interesting anymore. Doing your own business is the best.

When she started at that time, she had only RM200,000 at that time whereas the franchisor required franchisees to have RM500,000. Thus, she had to apply for the franchise loan was dispensed via the government-owned Bank Bumiputera Berhad. The hotel cost RM2.5 million without adding the cost of the land which was given by the state government to the franchisor. She charged the franchise fee over the 8 years.

At that time of deciding to become franchisee, it did not cross her mind to set-up her own independent business. But now after operating this franchise, she became motivated to start on her own small business. At that time of deciding to purchase the franchise, it was of the opportunity rather than the franchise package which attracted her.

**Formal Learning**

According to Ms. SMF, the franchisor provided her with the operation manual, but felt that the manual were useless. She felt all these cannot be used. These are only good for 5 Star Hotels. If we were to follow the manuals, those cannot be adhered to. But to those who have not experience in the hotel line, then the manuals will be useful. Training is less than a month. They provided with the management and accounting training. She knew about the operation side of hotel but she did not know how to manage the company. What have you learn as a franchisee? She quoted:

“It taught me to be aggressive. I learn about human characters, how to handle the franchisor characters. Because our franchisors are envious of us and try to make things difficult for us.”

**Informal Learning**

In the course of operating her budget hotel franchise, she became acquainted with a Chinese businessman from Malacca who taught her how not to be a franchisee but to start her own hotel without being a franchisee. According to this Chinese businessman, all the monthly rentals and the royalty fees paid to the franchisor could have been used to pay the bank’s monthly interest had she operated her own hotel but with the use of a bank loan instead a franchise. Other learning experiences she benefitted from this Chinese businessman can be seen in her following quote:

“To be in a business, before you are in you feel a bit wary and scared but once you are in, you feel that actually you can do it…it is not very difficult!” I can do it. If you have your own hotel, for 5 years you don’t have to pay tax. But this franchise hotel you have to pay within the first year itself. Because you are a management company, you don’t own the hotel. The hotel belongs to the franchisor and the franchisor gets most of the benefits.”

**SMF’s Summary of Her Learning**
She appreciated the fact that it was through her involvement as a franchisee that has provided her with the opportunity to meet people and get ideas and business opportunities. She exclaimed excited that it was the “the Malacca Chinaman who taught her entrepreneurial skills and be brave enough to take the risk in operating one’s own business rather than to operate a franchise. SMF felt that it has to be the hotel line if she wanted to be in business because she did not have any other business experience. She thinks that she is very experience in the hotel line.

SMF has since opened and managed her own hotel in Jitra. The learning outcomes from operating as a franchise of the budget hotel has given her the necessary management experience, capability and most importantly the self-confidence that she would be able to operate her own hotel. This can be attributed to the use of franchising as the platform and vehicle for entrepreneurial development.

Case 14: Mr. PHH (Budget Hotel Franchise)

Mr. PHH joined the army after his ‘O’ Levels and as a retired Warrant Officer of the Army Mechanical Section after serving 21 years. In terms of family background, his father was shopkeeper in a rural environment. In a family of four siblings, he was the only one to indulge in the business sector. After serving the army for 15 years, he was to leave the army after reading an advertisement offering the petrol kiosk franchise. He went for the interview and was shortlisted but it required RM100,000 to start operating the petrol kiosk. Since he had insufficient money, he had no choice but to continue serving in the army. He later went on a training course in Belgium where he managed to save sufficient money to operate the petrol kiosk when he later retired from the army. Prior to retiring from the army he attended an Army Pre-Retirement Refresher Training Course in operating shops. This reinforced his entrepreneurial aspirations. His father’s business did influence him to become involved in the business sector.

Learning from Operating the franchise

According to Mr. PHH, the budget hotel franchise is a good business concept. He was of the opinion that it was very good in terms of the philosophy, the product concept and goals. However, he felt that the franchisor and its management system were not good. The franchisors were found to be very high-handed attitude and were not keen to listen to their grouses, ideas and suggestions on ways to improve the hotel management systems. In spite of these shortcomings operating as a franchisee, he was still happy and thankful to be able to secure this franchise. He was quoted:

“For me when one wants to be in business, we cannot be choosy. Whenever there is opportunity, we must grab it!”

Expectations from franchising

He expected to reap huge profits. But according to him, his expectations have not been met yet. He also values the recognition he received from bankers and other people within the business community as a result of operating this franchise.

Learning from Franchising
An important learning outcome from operating the franchise was the sense of business acumen. He was better to see business opportunities, evaluate the risk involved and be able to make sound business venture decisions.

Mr. PHH quoted:

“Of course I learn from franchising, in terms of hotel operation, management, accounting, marketing and others,.but the only thing which I do not agree if that (perhaps my franchise only) do not give us the franchisee the opportunity to move forward.”

New Business Opportunity

Subsequent to operating as a budget hotel franchisee, Mr. PHH was able to translate his franchisee learning experiences and to operating his own hotel. He has bought over and managed an independently owned hotel in Sungei Petani. In addition, he has also added another multi-national company petrol kiosk franchise in Penang. Thus it can be seen that Mr. PHH has put into good use the knowledge and business experiences by expanding and diversifying his business ventures.

Business Expansion and Succession

The budget hotel franchise contract is for a period of 8 years. After the 8 years is up, he will ask his family members if they would like to continue or take over the franchise. He will appoint them as managers of the hotel. This franchise was also able to translate into his son doing a hotel and catering course with the plans of becoming a hotelier in the future. He has since then expanded and diversified his business ventures into real estate and construction via a joint venture with his ethnic Chinese partners. He quoted:-

“The Chinese are much more skilled than others so I join them. I am able to obtain government loans which are given out to the Bumiputera with favourable terms. This will help Malays like me to develop. So my Chinese does the construction.”

“Now I am looking to purchase hotels to manage. There is one for sale at RM15 Million in Penang. Now I can see and learn how to manage hotels.”

Informal Learning

Mr. PHH has also learnt from the owners and managers of other hotels.

“I stay in various hotels and learn from them. I asked them the housekeeping manager, the hotel manager. I have to learn more. It is not enough to learn from the franchisor, we have to learn as much as possible. But it is not that I could do what I want to do but it is because we do not have adequate facilities – first is the lack of a
conference hall, banquet hall. Karaoke Lounge – live bands and other facilities and amenities.”

“We cannot make up the price as the prices are all fixed by the franchisor. To me during the weekend the prices should be higher or during the peak seasons.”

The leaning outcome as applied within the context of phenomenology is reflected by the learning outcome of Mr. PHH in the following quotes:

“One good thing is that we have friends as franchisees. A group of us is that we can discuss among us. But if you operate on your own as an independent entrepreneur, you are alone and have no friends. This circle of franchisee gives us a sense of kinship and courage – give us a platform to discuss and because we go for meeting.....Seronok and berani² (Fun and brave!) That’s what we want but in this hotel they do not encourage us to do it. But other franchises like petrol kiosks encourage their franchises to do so. They have regular meetings and social functions. The even have an official association of franchisee to be able to exchange of opinions, ideas and suggestions. But My budget hotel franchise does not allow us to form association except for the quarterly meeting.”

5.0 CONCLUSION

Individual differences between franchisees

Within the sample there was a very high level of variability between franchisees in terms of motivation, aspirations, education, experience and other variables, all of which appeared to contribute to the learning experiences of the franchisee. The more highly committed and proactive franchisees tended to enjoy a richer and more beneficial learning experience.

Franchise systems differ as learning environments

As suggested above, there were considerable differences between the franchise systems in terms of quality of training, nature of interaction and opportunity for experimentation and innovation, all of which variables appeared to have a bearing on the learning experience of the franchisee. A more comprehensive list of these ‘systemic’ variables is proposed below:

Table 2: Systemic variables impacting on franchisee learning

<table>
<thead>
<tr>
<th>Variable</th>
<th>Description</th>
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<tbody>
<tr>
<td>Rigidity of format</td>
<td>Degree of prescription and control of format</td>
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<tr>
<td>Comprehensiveness of format</td>
<td>Proportion of franchisee activity prescribed by franchisor</td>
</tr>
<tr>
<td>Quality of initial formal training</td>
<td>Duration, level, content</td>
</tr>
<tr>
<td>Quality of ongoing training</td>
<td>Frequency, content</td>
</tr>
<tr>
<td>Quality of franchisee-franchisor interaction</td>
<td>Style / frequency / content of interaction</td>
</tr>
<tr>
<td>Quality of interaction with peer franchisees</td>
<td>Style / frequency / content of interaction</td>
</tr>
<tr>
<td>Quality of interaction with suppliers</td>
<td>Style / frequency / content of interaction</td>
</tr>
<tr>
<td>Quality of interaction with customers</td>
<td>Style / frequency / content of interaction</td>
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Franchisee learning: an integrated perspective

Given the variations and differences in franchisee learning outcomes as discussed above, we can argue that franchisee learning is the outcome of the interaction of multiple factors and far from consistently

² Seronok dan berani – Malay language meaning ‘be brave and have fun’
predictable. There are clear implications for franchisee selection, in that there would appear to be a need for subtle balance between franchisee experience and aspirations and the learning experience provided by the franchise. What has not been discussed here is the dynamic context of franchise life cycle and maturation; as the system evolves, it is quite likely that the format will become more highly programmed and that the learning experience of franchisees will vary over time.

**Policy implications**

From the above evidence, it can be seen that the government’s aspiration in using franchising as a vehicle for entrepreneurial development has to some extent become a reality. The learning outcomes reaped by franchisees depended on three main entities, the franchisees, franchisor and the quality of the franchise business itself. A good franchise business system with competent and conscientious franchisors together an open-minded franchisee who is keen to learn are key ingredients for a fruitful franchising learning environment. Nevertheless, a recent article by Hunter and Teoh (2013) cautioned potential franchisees to be wary of untested or unscrupulous franchisors who are out to fleece franchisees by charging exorbitant franchisee fees for relatively unknown and untested franchises with poor franchise brands. On a final note, while it cannot be denied that there is some evidence of the development of entrepreneurial attitudes and skills, there would appear to a need for further research and refinement of the policy, particularly with regard the selection of franchisees and their matching with suitable franchise systems.

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The integration of entrepreneurial orientation and dynamic capabilities in dynamic environment of small and medium enterprises (Nigeria’s export firms)

Abiodun Tope Samson

ABSTRACT

Small and medium enterprises (SMEs) in developing countries most especially in Nigeria have performed below expectation in their important roles of promoting and developing economic growth. This poor performance has been of great concern and disturbance to all the stakeholders (government at all levels, professionals, public and private sectors and international agencies). Responses to this critical situation culminated to yearly budgetary allocation, favorable policies, favorable pronouncement incentives and regulations giving by local government, state government and federal government. These efforts and interest of different levels of government and even international agencies to make SMEs sub-sector to be vibrant and leave to their expectation indicated that the crucial roles of SMEs are recognized and acknowledged for nation’s building. However, the situation become more disturbing, confusing and critical when the degree of poverty, unemployment and hunger that SMEs supposed to reduce continue to increase at alarming rate, in spite of all drastic measures and incentives provided yearly. This study realized it is high time to proffer sustainable solutions to SMEs particularly, introducing entrepreneurial orientations and dynamic capabilities as key variables that are necessary to improve the export performance of SMEs, building on the previous literatures that suggested the need for strategic orientations in order to exact great effect on firm performance in dynamic environment and recommend renewal and reconfiguration for SMEs.

1.0 INTRODUCTION

Across the globe today SMEs have continued to be relevant in the roles of development, industrialization, poverty reduction, wealth generation, employment provision and growth of many developed and developing countries (Ogunsiji, 2010). The realization and recognition of these roles have made SMEs a real sector of an attraction and interest to governments and all the citizens (Onugu, 2005). However SMEs have associated problems that are peculiar to its internal and external environment (Keskin, 2006). For instance, SMEs are not exporting because of lack of insufficient information on the possibilities, constraints of foreign market, the narrow attitude of the owner/managers, insufficient resources, lack of managerial expertise, week formal planning and poorly developed strategies (IZAMOJE, 2011; Nwajiuba, Amazu, Nwosu, & Onyeneke, 2013). Other problems associated with export venturing of SMEs are establishing distribution network, promotion of product in overseas, employment of good export manager, lack of foreign channel of distribution, language and cultural differences, high foreign tariff on imported product, competition from local market (Hashim, 2005)

Government and international agencies responded to these problems by providing: Small and Medium Industries Equity Investment Scheme (SMIEIS) fund and other international agencies such as world Bank, United Nations Industrial Development organization (UNIDO), Association of Nigeria Development Finance Institutions (ANDFI), European Investment Bank (EIB), Fate Foundation Support and Training Entrepreneurship Program (STEP)United Kingdom Department For
International Development (DFID), International Finance corporation (IFC), etc. (Onugu, 2005; Ogunsiji, 2008)

Unfortunately, Nigerian SMEs continue to face monumental challenges such as weak strategic orientations, poor utility services, poor capabilities, poor managerial and technical skills development and lack of export market knowledge/experience (Keskin, 2006). These challenges instead of reducing continue to increase unabated. Therefore, this paper objective is to suggest entrepreneurial behavior under the guide of resources based theory and dynamic capabilities views that Nigerian environmental turbulence/dynamism can be adequately used as an important tool to improve the performance of SMEs. Hence, researchers should not ignore the fact that firm’s uncertain environment can be converted to an opportunity and proactively take advantage of the changes in environment through innovative and aggressive marketing activities (Yeoh & Jeong, 1995). For instance, international entrepreneurial capability can be described as firm-level’s ability to leverage resources through mixture of innovativeness, pro-activeness and proclivity to discover, act out, appraise and exploit business opportunities in international arena (Zhang et al., 2009). Dynamic capabilities are needed to mediate the relationship between entrepreneurial orientation and firm performance, firm uses Dynamic capabilities to recognize and act in response to opportunities and threat by extending, modifying, varying and creating a firm’s ordinary capabilities to realize first-order transformation (Drnevich & Kriauciunas, 2011; Winter, 2003).

2.0 RESOURCES- BASED VIEW

The resources-based view conceives a firm as an embodiment of unique bundle of tangible and intangible resources, such as assets, capabilities, processes, managerial attributes, information and knowledge that are controlled by a firm (Barney, Wright, & Ketchen, 2001). Most of the literature on competitive advantages used the resources based theory presented by Penrose (1959). This theory focuses primarily on the internal development of capabilities that provide the firm with unique and presumably inimitable abilities that theoretically provide the firm with competitive advantage (Barney et al., 2001; Prahalad & Hamel, 1990). In essence the concept of value originated from the firm’s building of core competencies, which is developed from the resources a firm possess and this provide a sources of unique advantage compared to its competitor (Barney, 1991; Collis, 1991; Barney 1986). Hence, Mahoney (1995) posited that these resources and core competencies both work simultaneously to produce the basis for sustained competitive advantage.

Resources-based view perceives firm specific resources such as asset and capabilities as the drivers of a firm’s business strategy (Kropp, Lindsay, & Shoham, 2006). The ability and capability to ensure better organization performance lie in superior managerial skills and knowledge (Day & Wensley, 1988; Kropp et al., 2006). Therefore, EO and Dynamic capabilities can be viewed as resources which have potentials to enhance export performance. Internal capabilities development aided born global firm to succeed in foreign market (Knight & Cavusgil, 2004). Over the years RBV has become critical driver of export performance (Eisenhardt & Martin, 2000), 2000). RBV helps to explain how Knowledge and capabilities are developed and leveraged within an enterprise. Dhanaraj and Beamish (2003) contended that RBV should be the pillar for more conceptually rigorous building in area of export performance strategy. The following scholars declared and supported the usage of RBV to explain export performance; Cadogan, Kuivalainen, and Sundqvist (2009) and Lages, Silva, and Styles (2009).

3.0 CONCEPTUAL FRAMEWORK
3.1 DYNAMIC ENVIRONMENT

Environmental dynamism can be described as an environment with perceived instability and continuous changes (George T Lumpkin & Dess, 2001). Environmental dynamism reflects the amount of unpredictability in change of customer tastes, production or service technologies, and the modes of competition in the export firm’s principal industries (Drnevich and Kriauciunas 2011). The dynamism of firm’s environment can be shown in the rate of market and industry’s change and the level of uncertainty about the environment that is beyond the control of individual firm (George T Lumpkin & Dess, 2001; Wiklund & Shepherd, 2005). Industries that are already matured with low growth rate may still be dynamic in as much its incumbent are high performer (Kim et al., 2007). Many entrepreneurial scholars subscribed to the fact that organization needs to respond to challenging condition in a dynamic environment by adopting an entrepreneurial posture (Willund & Shepherd, 2005; Lumpkin & Dess, 2005). That is to say SMEs particularly; export firms should adopt an entrepreneurial proclivity, innovativeness, and pro-activeness to improve their lots. Environmental dynamism reflects the unpredictability in the behavior of customer, competitors and the shift in the industry’s technological conditions (Chmielewski & Paladino, 2007; Flaxer et al., 2003; Tallon, 2008). The competitors in dynamic environment exploit market opportunities or gain advantage through response to such environment by acquiring technology- based companies to expand their R &D effort, creating strategic alliance and increasing their R & D expenditures to further new product (Tallon, 2008). This stressed the need for SMEs to respond to turbulent or hostile environment with pragmatic solutions. Many scholars agreed and found evidence that environmental dynamism moderates the relationship between organizational variables and firm’s performance (Anderson & Van Wincoop, 2004; George T Lumpkin & Dess, 2001). Therefore, there are strong arguments for the need for an entrepreneurial organization, by entrepreneurial scholars in a dynamic environment culminated to the decision to select entrepreneurial orientation as the strategic orientation to experience the moderating effect of environmental dynamism on their relationship with export performance in Nigeria.

4.0 ENTREPRENEURIAL ORIENTATION

Entrepreneurial orientation can be perceived in one approach as the process of creating value by bringing together a unique package of resources to exploit opportunity (Dess, Lumpkin and covin 1997; Slevin and Covin 1990). Some described entrepreneurial orientation as a frame of mind and
perspective about entrepreneurship that is shown in a firm ongoing process and corporate culture (Lumpkin and Dess, 2005, p.147). Nevertheless, many researchers agreed that entrepreneurial orientation is a guiding philosophy (Matsumo et al, 2002). However, these three dimensional conceptualization of entrepreneurial orientation are generally accepted in the literature, moreover, G Tom Lumpkin and Dess (1996) suggested another two additional dimensions that are really critical to entrepreneurial orientation’s perception; autonomy and competitive aggressiveness.

4.1 INNOVATIVENESS

The degree at which an organization is being characterized as being innovative is when innovation becomes one of the primary contributing factors to the success of such organization (Hult, Hurley, & Knight, 2004). Innovation can be referred to as the generation or acceptance of new ideas, process, products or services that are generally seen as new by the organization adopting it (Garcia & Calantone, 2002; Hult et al., 2004). Innovativeness can also be described as tendency and willingness to place strong emphasis on research and development, new products/services, and technological improvement, and to engage and support new ideas, product or processes (slevin and Covin 1990 ;Lumpkin and Dess 1996) Innovativeness can also be seen as an important component of entrepreneurial orientation because it shows how new opportunities are pursued by entrepreneurial firm (Lumpkin and Dess 1996). Since the major consideration of this study is SMEs, many studies have found out that employees at all level in SMEs are involved in the innovative process and new product development always take the form of developing new methods of marketing the same product to the consumer, thus innovation can be innovation through differentiation or innovation through personal service (Hartman, Tower, & Sebora, 1994; O'Donnell, Gilmore, Carson, & Cummins, 2002; Sullivan & Kang, 1999)

Risk taking ; the second basic components of entrepreneurial orientation is risk taking, in the perspective of entrepreneurship, risk taking is about resources’s allocation, decision making, choice of product and market (Venkatraman, 1989). Risk taking can also be referred to as the extent to which managers are prepared to make a large and risky resource commitment, which may have a reasonable change or costly failure, yet, this risks are calculated risk, extreme risk that involve reckless decision making is identified and avoided (Davis, Morris, & Allen, 1991). Basically, entrepreneurial firms operate within hesitant environment, most especially, when entering with new market with new products; they undergo testing and naturally working under risky atmosphere (Lumpkin and Dess1996; Dess and Lumpkin 2005).

Pro-activeness refers to a firm’s promptness to get hold of new opportunities (Dess Lumpkin 2005, p. 150). Pro-activeness is characterized with continuously scanning and searching the environment for new opportunities (Frese, Brantjes, & Hoorn, 2002). Competing in an aggressive manner by initiating bold and risky strategies most especially in hesitant situation demonstrates pro-activeness. A firm is said to be pro-active when it has opportunity to be a pioneer and subsequently posses a distinct ability to capitalize on emerging prospect (Wiklund & Shepherd (2005). An entrepreneurial firm may be required to adapt, preserve, and assume responsibility in order to accomplish some tasks, therefore it is when an organization can exhibits pro-activeness, risk taking and innovativeness that it is well thought out as an entrepreneurial firm. In a nutshell, innovativeness comprises of new product lines, product modification and R&D leadership, while pro-activeness entails adoption of new techniques, competitive posture, environmental boldness and decision making styles. Risk taking involves borrowing heavily, entering unknown markets and undertaking risky projects (Covin & Slevin, 1991).

4.2 DYNAMIC CAPABILITIES

Dynamic capabilities theory was built on the groundwork of economy anticipated by Schumpeter (1994), Penrose (1959) and Teece, Pisano, and Shuen (1997) This theory build up a frame work to give details on whether distinguishing and difficult to duplicate advantages can be built, maintained
Dynamic capabilities were developed from the resources base view of the firm (1992; Verona, 1999). The two theories postulated that firms are diverse in the strategic resources they manage; however, they are different on how they approach the mobility of the resources (Teece et al., 1997). Resources base view theory posited that resources are stable and static; while DC theory stressed the need to renew, acquire, develop, and reconfigure their resources and this leads to resources mobility in the long run. Hence, RBV cannot explain firm behavior and performance over time in a dynamic environment (Teece et al., 1997). Dynamic capabilities are about mechanism for bringing organizational change and it is associated with the complex problem of change measurement that has constituted serious setback for organizational growth (Easterby-Smith, Lyles, & Peteraf, 2009). It is equally attached to the issues of strategic renewal, adaptation and growth, it involves temporal dynamism, including capabilities life cycles (Helfat & Peteraf, 2003).

Therefore, dynamic capabilities are needed to mediate the relationship between entrepreneurial orientation and firm performance, firms use Dynamic capabilities to recognize and act in response to opportunities and threat by extending, modifying, varying and creating a firm’s ordinary capabilities to realize first-order transformation (winter, 2003; Drnevich and Kriaciunas 2011). The contributions of Dynamic capabilities to firm’s performance may occur in several ways; first, dynamic capabilities can positively affect firm performance by allowing the firm to identify and respond to opportunities through developing new processes, product and service which has the potentials to increase revenue (Chmielewski & Paladino, 2007; Makadok, 2010). Second, dynamic capabilities can improve the speed of efficiency with which a firm operates and respond to changes in its environments . (Hitt, Ireland, Camp, & Sexton, 2001) This ability to improve response speed efficiency and effectiveness with respect to dealing with environmental changes can positively affect firm’s performance by allowing the firm to take advantage of revenue attractive opportunities and adjust its process to cut expenses (Drnevich and Kriaciunas 2011). Third, Dynamic capabilities offer formerly not available options for the firms and thus make available the potentials for greater performance contribution such as increase revenue or profits (Eisenhardt and Martin, 2000; Zhu 2004). That is to submit that Dynamic capabilities have enablement to improve upon the contribution of ordinary capabilities by extending existing resources configuration in conduct that the outcome is entirely new set of decision options (Drnevich and Kriaciunas 2011).

Therefore, dynamic capabilities will extend, modify, change, create, and re-create ordinary capabilities in response to environmental dynamism and thus play a basic roles in changing routines and in ensuring that the firm can change on the whole operation and have new set of decision alternatives (Eisenhardt, 1989; Eisenhardt and Martin 2000; Winter, 2003)

5.0 EXPORT PERFORMANCE

Several studies have demonstrated that there is consensus that entrepreneurial orientation influences and have positive relationship with export performance (Okpara & Kabongo, 2009) Literatures like Wiklund and Shepherd's (2003); Jogaratnam and Tse (2006); Yeoh and Jeong, (1995) established that entrepreneurial orientation is positively related with firm performance. Extending the firm operations into new market environment may present an imperative opportunity for growth for SMEs in developing countries i.e. Nigeria that its products are already saturated in domestic market (Jantunen, Puimalainen, Saarenketo, & Kylläheiko, 2005). This study is more concerned about how more attention should be paid to examination whether or how additional value is created in exporting
of SMEs considering the attitude of the managers who are still skeptical whether strategic orientation like entrepreneurial orientation really lead to higher performance and fears of competitors when exporting their products (Jantunen et al., 2005). The view is to further stress that SMEs that chooses to export their product in innovative and creative ways stand to achieve significant gains (Zahra & George, 2002). Therefore, the underlying principle for investigating entrepreneurial orientation and dynamic capabilities in turbulent environment (Nigeria business environment) is to advance understanding of their linkage with export performance. Hence, in Nigeria’s environment, less researched developing country required a systematic understanding of the relationship between entrepreneurship, dynamic capabilities renewal’s process, reconfiguring capabilities and export venturing (Dess et al., 2003).

CONCLUSION

The small and medium enterprises’ potentials and opportunities to carry out the roles of engine of growth poverty reduction, generation of an employment, development and industrialization are not mirage but possible. In order to realize these potentials there should be a pattern shift of focus instead of primordial tendency of noisy pronouncements to a realistic thorough approach from government to sort out the recognized problems. This study subscribed to the literatures that acknowledged that the problems of SMEs are not only finance but more importantly, managerial ineptitude (Onugu, 2005; Oguniji, 2010). The utilization of resources whether incentives given by the government or generated by the owner must be optimally leveraged. Even though developing entrepreneurial culture seems to be costly they will result in benefits to firms operating in turbulent environment like Nigeria (Jantunen, 2005). This study makes contribution to the literature of SMEs, particularly, exporting SMEs in Nigeria which is believed to be under researched. It supports other researches to suggest that it is not only the firm’s entrepreneurial orientation and export performance but the ability of an entrepreneur to create new asset configuration that have effect on performance in foreign market. Hence, SMEs should be innovative, aggressive, pro-active and take calculated risk to survive in Nigeria turbulent environment; the promoter/manager should think less on funding in the successful development of his enterprise but rather ready to learn and develop learning capabilities so that they can improve their capacity to achieve and sustain competitive advantage. Owner managers of SMEs should embrace science and technical education; they should practice partnership and equity participation, SMEs should maintain quality in production, they should honor payment obligations, management staff of SMEs should be developed.

Government should leverage renewal strategy on incentives giving to SMEs and reconfigure contribution in the following dimensions; revamping all old Industrial Development Centre and establish new ones (IDCs); establishing SMEs clusters; upgrading rural urban road and railway network and provide necessary infrastructural facilities; providing National Rehabilitation Fund for SMEs; reducing tax rate to barest minimum; buying only made in Nigeria should be institutionalized; involving research and development Council(RMRDC) in sourcing appropriate equipment and facilities for SMEs; establishing consortium comprising Banks and research institute; establishing realistic industrial policy. The renewal, reconfiguration and recombining strategy on Small and Medium Enterprises Development Association of Nigeria (SMEDAN) and other international agencies that contribute to the welfare of SMEs; giving responsibilities to SMEDAN to provide capacity building and skill upgrading; identifying sources of funds with better interest for SMEs; providing education department to be responsible for public enlightenment, training and education of SMEs owner/manager; providing marketing are distribution channel for SMEs.

REFERENCES


