



UNIVERSITI PUTRA MALAYSIA

**THE RELATIONSHIP BETWEEN WORK VALUES,
ORGANIZATIONAL COMMITMENT AND JOB PERFORMANCE
AMONG EXECUTIVES IN MALAYSIA**

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COMMITMENT AND JOB PERFORMANCE AMONG EXECUTIVES IN
MALAYSIA**

By

DAHLIA ZAWAWI

**Thesis Submitted to the Graduate School of Management, Universiti
Putra Malaysia, in Partial Fulfillment of the Requirements for the Degree
of Master of Science**

March 2003

'The future belongs to those who believe in the beauty of their dreams.'
-Eleanor Roosevelt-

This thesis is dedicated to my husband who believes in my dream and me. Thank you.

Abstract of thesis presented to the Senate of Universiti Putra Malaysia in partial fulfillment of the requirements for the degree of Master of Science

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Areas such as work values, organizational commitment, and job performance has been widely researched for the past years. The main purpose of this study was to identify the relationships between work values, organizational commitment, and job performance among managers in Malaysia. In addition, the study was also meant to identify the possible variations between selected demographic variables with work values, organizational commitment, and job performance.

Two hundred thirteen (213) executives from 48 organizations participated in this research. The instruments used were Work Values Scale (Elizur, 1996), Organizational Commitment Scale (Meyer and Allen, 1990), and Job Performance Scale (Suliman, 2001). Statistical analyses used for the study included the Pearson Correlation, Independent t-test, one-way ANOVA, multiple regression, and path analysis.

The analyses of data revealed significant relationships between work values and organizational commitment, and work values and job performance. Indirect relationship was seen between organizational commitment to job performance through work values. Race, academic qualification, division, and monthly salary were found to be related to work values. Age, marital status, and academic qualification were found to be related to organizational commitment. Finally, working experience were related to job performance.

This study was able to prove the hypotheses proposed and was able to provide new support on the existing theories. It also managed to add new information and understanding on the organizational practices in Malaysia.

Abstrak tesis yang dikemukakan kepada Senat Universiti Putra Malaysia
sebagai memenuhi sebahagian keperluan untuk ijazah Master Sains

**HUBUNGAN DI ANTARA NILAI KERJA, KOMITMEN TERHADAP
ORGANISASI DAN PRESTASI KERJA DI KALANGAN EKSEKUTIF-
EKSEKUTIF DI MALAYSIA**

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Nilai kerja, komitmen terhadap organisasi dan prestasi kerja telah mula dikaji sejak beberapa tahun yang lalu. Tujuan utama kajian ini dijalankan adalah untuk meneliti hubungan di antara nilai kerja, komitmen terhadap organisasi, dan prestasi kerja di kalangan eksekutif di Malaysia. Selain daripada itu, kajian ini juga bertujuan untuk melihat kaitan yang ada di antara faktor-faktor demografi dengan nilai kerja, komitmen terhadap organisasi, dan prestasi kerja. Dua ratus tiga belas (213) eksekutif daripada 48 buah organisasi telah mengambil bahagian di dalam kajian ini. Ukuran yang digunakan adalah Skala Nilai Kerja (Elizur, 1996), Skala Komitmen Organisasi (Meyer dan Allen, 1990), dan Skala Prestasi Kerja (Suliman, 2001). Analisa statistik yang digunakan termasuklah korelasi Pearson, ujian t, ANOVA satu hala, regresi berganda, dan analisa laluan.

Analisa data menunjukkan perkaitan di antara nilai kerja dengan komitmen terhadap organisasi, dan nilai kerja dengan prestasi kerja. Walau bagaimanapun, komitmen terhadap organisasi hanya mempunyai hubungan

tidak langsung dengan prestasi kerja melalui nilai kerja. Bangsa, kelayakan akademik, bahagian, dan pendapatan bulanan mempunyai perkaitan dengan nilai kerja. Manakala umur, taraf perkahwinan, dan kelayakan akademik mempunyai perkaitan dengan komitmen terhadap organisasi. Akhir sekali, pengalaman kerja mempunyai perkaitan dengan prestasi kerja.

Kajian ini telah dapat membuktikan hipotesis-hipotesis yang telah diutarakan dan memberi sokongan kepada teori-teori yang telah sedia ada. Ia juga berjaya menambah beberapa informasi dan kefahaman terhadap pengendalian organisasi-organisasi di Malaysia.

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LIST OF ABBREVIATIONS

ANOVA	Analysis of Variance
CFA	Confirmatory Factor Analysis
GFI	Goodness-of-Fit
HSD	Honestly Significant Difference
KLSE	Kuala Lumpur Stock Exchange
LISREL	Linear Structural Relations
RMSEA	Root Mean Square Error of Approximation
SEM	Structural Equation Modeling
SPSS	Statistical Package for Social Sciences

CHAPTER 1

INTRODUCTION

This chapter presents the background of the study, the problem statement, the objectives of the study and the hypotheses proposed in the study. It also covers the importance and the assumptions of the study.

Background of the Study

There are two different purposes of research: one is to solve a currently existing problem in the work setting, and another is to add or contribute to the general body of knowledge in a particular area of interest (Tariq, 2002). This research is aimed to satisfy both objectives. The knowledge of job performance is essential to the success of organizations, and the areas of organizational commitment and work values are believed to have some effects on job performance. Most of the research concerning these three variables are conducted in other countries and may or may not be applicable to the Malaysian environment. Therefore, this study, done with the Malaysian employees and organizations is meant to corroborate or contradict other results found earlier. In addition, it is hoped that the study can provide new insights to the world's library of research.

Job Performance

Job performance is defined as actions or behaviors relevant to the organizational goals (Campbell, 1990). This broad definition includes both productive and counterproductive employee behaviors that contribute or detract from organizational goals (Hunt, 1996). The term performance is often used indiscriminately to describe everything from efficiency and effectiveness to improvement (Stanback, 1996). Also, practitioners seem to use the term performance to describe a range of measurements including input efficiency, output efficiency, and in some cases transactional efficiency.

Organizational Commitment

The concept of commitment to the organization has been evolving for at least 30 years. It has basically been summarized as the desire of employees to remain in the organization, exerting work efforts while accepting organizational goals (Putterill & Rohrer, 1995). A lot of studies done are focused on the concept of organizational commitment, which can be said to be the relative strength of an individual's identification with and involvement in a particular organization (Mowday, Porter, & Steers 1982).

Interests in work-related commitment have been sparked by its potential benefits to individuals and organizations (Somers & Bimbaum, 1998). Committed employees are characterized as loyal, productive members of work organizations (Porter, Steers, Mowday & Boulian, 1974) who identify

with organizational goals and organizational values (Buchanan, 1974). Employees who commit to both their organizations and their careers exhibit the most positive work attitudes and the strongest intention to remain with the organization (Somers & Birnbaum, 2000).

Work Values

Values serve as standards that guide our behavior (Isaacson & Brown, 1997). Values, as they relate to work, have been a topic of interests to researchers (Torres, 1990). Work values described in terms of values employees hold and exhibit in the workplace include honesty, integrity, diligence, trustworthiness, dependability, effectiveness, efficiency, loyalty, respectfulness, consistency, and kindness (Kern, 1998). Research on work values has been driven by concerns for the motivational level of employees (Brown, 1976). It is quite likely that values and value systems vary across different cultures (Elizur, Birg, Hunt, and Beck, 1991). Therefore, employees in such country like Malaysia, which consists of various cultures, are likely to have different work values.

Malay Values

The Malaysians of the Malay origin have a simple life and are mostly led by historical leaders, a strong “adat” (traditional values system), and religion. The Malay society has a well-established respect for traditional leaders and elders (Raveendran, 1994). In a study conducted by Tham, it is found that

the Malay society preferred value orientations that emphasize mutual help and adaptation, kinship affiliation, loyalty to ruler, exclusiveness of the aristocracy, submissiveness, respect, and the adherence to the “adat” (Raveendran, 1994). A Malay individual is also regarded as being hospitable, accommodating, forgiving, peace loving, and charitable. After the first foothold of Islam on the Peninsula of Malaysia in early 1400s, the culture of the Malay society are described as congruent with the official religion of the Malays which is Islam (Wolff, 1965).

Chinese Values

The Malaysians of Chinese origin come from one of the countries with the oldest civilizations in the world and they believe in working with families or clans. Since the major influx of the Chinese in the 18th century, the Chinese communities have been developing rapidly. They are self-governing, tightly knit, and are often antagonized to one another (Wilson, 1967). The Chinese according to Mano (1986), and Chatterjee (1987), are associated with such traits as having, “initiative, stamina, resistance, frugality and thrift, power, vitality, common sense, and the will to survive.” The Chinese believes in feng shui, which is practiced to determine the stability of a location for different purposes in order to avert bad luck (Seng, 1995). Chinese managers are said to be rigid and subscribe to clearly established lines of authority, departmental responsibilities, and position descriptions (Tipgos, 1978).

Indian Values

The Malaysians of Indian origin were first brought into the country by the British and they are also led by religious beliefs. They are now comprised of numerous sub-cultures such as the Tamils, Malayalees, Telugus, and Punjabis (Raveendran, 1994). The Indians are characterized by Mano (1986) for their "loyalty, hard work, egalitarianism, and organizational abilities." The Indians believe that every good deed along with the belief in God will result in an enlightenment of the heart, thus they tend to avoid all bad things and negative thinking that can darken their heart (Rajantheran & Manimaran, 1994).

Nature of the Problem

As pictured by the country itself, organizations in Malaysia are comprised of employees from different cultures with different values and norms. Each ethnic group has a rich and distinct culture based on age-old beliefs, traditions, and practices rooted in the Asian heritage (Abdullah, 2001). In today's fast changing environment, organizations need to be able to improve and maintain their existence. The question is how do we achieve this? First, it is essential to realize that the backbone of any organization is always the people. Even though there is a phenomenon known as corporate culture, in this thesis, it is still believed that the Malaysian employees are still practicing the values resulting from their various cultural backgrounds. In other words, the corporate cultures of organizations are not fully functioned yet. Therefore,

the Malaysian work scenario can still be seen as culturally diverse (Abdullah, 2001). Although *Bahasa Melayu* has been able to unite the people to a great extent, it is more a question of unity-in-diversity (Malaysian Institute of Management, 1999). The influence of cultural values on the way work is done in Malaysia can be seen in employees' behaviors (Abdullah, 2001). Researchers in psychology and sociology argue that the impact of ethnicity and ethnic identification on human behavior should also be examined with respect to values since values are the consequences of culture and ethnicity (e.g. Rokeach, 1973; Phinney, 1992). Based on the assumptions that different races are thought to have different cultures and values, people who do not come from the same groups are likely to behave differently at work. Due to this fact, it is important to realize the various cultural behaviors and perspectives in our effort to increase the effectiveness of organizations. To bring out the best in the workforce, managers have to be sensitive to different cultural nuances, beliefs, and traditions, and harness them into common bonds of solidarity (Abdullah, 2001).

Part of achieving the organizational success is by ensuring employees' commitment to their jobs. Mowday, Porter and Steers (1982) has suggested that gaining a greater understanding of the processes related to organizational commitment has implications for employees, organizations, and society as a whole. Malaysia's various ethnic groups have maintained their separate identities by preserving their religion, language, and customs (Malaysian Institute of Management, 1999). These ethnic groups can be categorized as the Malays, Chinese, and Indians. Logically, the differences in