To Understand the Factors That Influencing Successful Employee Performance Among Worker: A Lesson from Private Organization in Shah Alam

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Abstract

The phenomenon of increased competition between companies and their need to respond effectively to rapidly changing operating conditions, as well as to staff requirements, has now increased the need to identify those variables that affect the performance of private organization employees (EP) in Shah Alam. The purpose of this research is to analyze the determinants of employee performance among employees: a lesson from Shah Alam's private organization. The methodology used is based on wage bargaining theory, style and behavior theories, The Denison Model, and the questionnaire is the primary data source. This research is based on the research objective and uses the quantitative research method for this study. Using the SPSS software, data collection was developed using a purposeful sampling method and analyzed with a data set of 192 respondents. All the variables were tested and accepted.

Key Words: Employee Performance, Private Organization, Purposeful Sampling

1.   Introduction

For companies to meet certain standards during the competitive market conditions and extreme business rivalry, they need to ameliorate their performance to obey such large demands. Otherwise, there would be a lot of problems, including the risk of closing the business. Every organization and company want to thrive and to achieve long-lasting success. Just a few companies believe the company's workers are the key assets that can contribute to long-lasting success for the organization (Adi, 2000, Anka, 1988, Rothberg, 2005). The success and efficiency of companies are related to the performance of their workers (Shin & Konrad, 2017). Rynes et al. (2000) suggest that analyzing employee performance and determine how it can become more successful and more "real" is challenging for businesses.

Based on the study, the problem statement is that many organizations face intense challenges in enhancing work satisfaction for workers that can lead to the effectiveness of the company. Most companies do not know what are the factors that affect the performance of employees. Companies are not aware that employees would usually be more satisfied when they know that they are adequately rewarded for the work they have done. Other than that,

having a good leader to guide and supervise the employee and to measure employee performance comes with its own difficulty, which are usually unforeseen by companies. Moreover, workplace culture has become a significant issue in an organization which directly affects the performance. Lastly, employer should not ignore that individual skills also is a crucial factor that influence employee performance (Denison, D. R., 1996).

Especially in Shah Alam area, few studies have been done regarding this issue. This cause them to be unaware of factor such as wages, workplace culture, leadership and supervision and individual skills can play such a significant role in determining employee performance (Denison, D. R., 1990).

The result from this research will be significance for any organizations that are trying to improve the performance of employees. From this study, company can figure out what are the factors that can affect employees' performance which can smooth the operations of their company. Other than that, this research will also be significance for researchers in the future. Findings from this study will be a useful source for them as reference data in conducting new research (Hoogman et al., 2017).

1.2   Research Objectives

1. To identify how wages affect employees' performance.
2. To examine the effect of workplace culture to employees' performance.
3. To evaluate the relation between leadership and supervision and employees' performance.
4. To analyse the impact of individual skills to employees' performance.

2.0 Literature Review

Introduction

The researcher presents the literature and prior studies related to the study's variables in this chapter. First, the context of a factor influencing the performance of employees was added. The literature and previous research related to salaries, workplace, management of leadership and employees' individual skills were also examined (Al-Jubari, I., Mosbah, A., & Talib, Z., 2019). According to many scholars and professionals, there are different variables that have a positive or negative effect on the output of workers, either individually or collectively. Research carried out by (Van and Herholdt 2004) found different variables were accountable for having an impact on workers' performance in the organization. The paper will analyse salaries, workplace, leadership supervision and the individual skills of employees as the most crucial factors that influence the performance of employees among employees in Shah Alam, based on the results of the unstructured survey conducted by the researcher.

2.1 Employee Performance

The extent of workers' ability in fulfilling a workplace task, is referred to as performance (Cascio, 2006). Based on the description, performance is observable at the individual-level and at the organizational-level. From varied viewpoints, the term was described and interpreted differently (Awadh & Saad, 2013). Regardless the differences, (Awadh & Saad, 2013) stated which two key areas of transactional efficiency and effectiveness against organizational goals

have been based on success (Barney, 1991; Stannack, 1996). Over the years, several viewpoints have been drawn up by performance. Apart from assigning the "variable for performance" to various viewpoints, (J. Kagaari et al., 2010), (Bomrez, H. A. A., & Rahman, N. R. B. A., 2018) and more people, in the context of management activities, rather than output performance, success once-more is measured. Additionally, it is not new as conceptualized by McAfee & Champagne (1993), success is handled from a functional perspective. McAfee & Champagne (1993) subsequently introduced a system to enhance employee efficiency as well as productiveness.

2.2 Wages and Employees Performance: The Quality of Work Life as Moderator

In the form of salaries or benefits, one aim of an individual as an employee of a corporation is to gain money. Earned salaries to fulfil basic needs such as food, clothes, and housing. In determining the number of wages paid to the worker, every organization must be realistic to provide the lowest wage to meet the employee needs (Abbah, M. T., (2014). If wages are significantly linked to performance, they are an essential part of efficiency. Awarding the salary bonus is the largest challenge for the industry, which is often the most crucial factor for workers, as the total salaries reflects the extent of the importance of their employment between the workers themselves, their families, and societies. For the industry, wages are quite important as they portray the industry's exertion to defend individual's knowledge, skills, experience, and social qualities at the workplace to obtain a great level of

dedication and loyalty to the organization. An effective wage policy is expected to contribute to maintaining the activity of the workforce, understanding the sight and aim, and accomplish business objects (Abbah, M. T., 2014).

2.3 The Effect of Career Development and Organizational Culture to Employee Performance with Motivation of Work as Intervening Variable in Cooperation in Denpasar Village.

Organizational culture is an organization's value or model for behaving and solving issues, forging workers that are willing to adapt to the atmosphere and unifying members of the organisation (Iqbal, Anwar & Haider, 2015). For that, participants, including new members, need to be taught the best way to evaluate, think and feel the problems faced. A culture's coercion may contribute to disparities between staff and the organization to influence the psychological state of staff who feel uneasy in collaboration. Employee dissatisfaction impacts the efficiency of workers. Fuad Mas'ud (2007: 133) Indicator-formed organizational culture. Four principles, namely professionalism, distance management, confidence in colleagues and honesty, can be interpreted as measures of organizational culture.

2.4 The Leadership Styles and The Employees Performance

Employees reliance on management, which is operational, to enhance their productivity, has a determinate position. In the same phenomenon, the core role of management is most popular, along with its reputation (Bass, Avolio, Jung & Berson,

2003). In fact, transformational leaders are a psychological analyst, who observe, understand, and examine the employees' intelligence, emotions, behaviors, and expectations to make the ultimate resolution that helps employees' in performing the job effectively. According to the collective will of the workers, the leadership of this division is durably democratic and believes that it can address every issue in the company. The diagnostic capabilities of leadership, whether inborn or acquired, are especially important for fixing individual and organizational problems overall (Durga & Prabhu, 2011). There is a straightaway proportion relational between staff accomplishment and leadership efficacious. By the forces of perception, interpretation, preparation and inspiration, transformational leaders can boost the level of employee's productivity (Iqbal, Anwar & Haider, 2015).

2.5 Skill Influence on Employee Performance (Empirical Study of Frontlines Three Star Hotels in Jakarta)

There are two types of skills important for workers to possess for them to have better performance at work. Firstly, are the hard skills. Hard skills are considered as technological skills and having basic knowledge in completing organizational job. We can refer to hard skill as "what do you know" (Winker, D. M., Hunt, W. H., & McGill, M. J., 2007). Technical abilities such as programming, languages, operating system skills and networking are also part of hard skills (Rupp et al, 2006). Then Wagimin (2002) suggested that variables ought to have a major effect on employee job performance through life, entanglement, development, and

intellectual capacity together or by partial leverage; intellectual capacity and variable intellectual skill have a dominant effect on the success of the workforce.

Moving on to the next skill which is soft skill. This skill is skill on how an individual build relationship with others. The importance of adoption, inspiration, actions, behaviours, character, and attitude is thus included in the soft skill attribute (Ibrahim, Z., Johar, M. G. M., & Rahman, N. R. A., 2018). It is also considered as person's habit that support to upgrade the relationships and work performance. There has been so much soft ability research, such as that done by Luthans et al. (2006), that research has been built to complete human capital and social capital with positive psychological capital.

2.6 Theoretical Foundation

2.6.1 The Bargaining of Wages

Based on this theory, the relative capacity of each of the parties to a negotiation decides wages, hours and working conditions. The one who suggested that the decision of salaries is an exceedingly complex process with various impacts in The Bargain Theory of Wages (1898), was John Davidson. The theory of bargaining is extremely attractive to labour organizations, because it gives a convincing purpose for the existence of unions. However, in the past, workers have been able to improve their conditions with no need of support of workers' organizations. It suggests that there must be other elements related to work aside from the parties' relative bargaining power. Even though, in

short-run situations, the negotiating theory can explain wage rates, the changes in the mean wage rate that were discovered throughout the long-term have not been clarified (Talib, Z. M., Haruna, S., & Kassim, N. M., 2020).

2.6.2 The Denison Model

Denison's (1990) Denison Theory is based on both popular and academic literature. The principles set out the method by which the culture of an organization affects its effectiveness. The values and beliefs of an organization give meaning to a set of its management practices. Involvement and adaptability emphasize the ability of the organization to be flexible and change. Consistency and mission are geared towards stability. A culture that is very consistent but responsive to individual participation will be most effective in the context of a strong shared mission. The four traits are partially contradictory and rigid, so Denison emphasizes the choice between them. Flexibility and stability and external

and internal focus are not intended. It strongly recommends that an organization develop its processes across all borders (Denison, 1990).

2.6.3 Style and Behaviour Theory

Style theory suggests all individuals own a distinct way of leadership that they are more satisfied with it. Yukl (1989) has introduced different methods of leaders in leading the employees. An extreme level of self-complacency, innovation and inspiration have been shown by staff who work with political leaders. Autocratic leaders focused on more output. Vego, M. (2015), writes that his/her dependence on operational leadership is clearly defined to improve the performance of an employee. The diagnostic knowledge of the management, whether inherent or acquired, is useful for the resolution of individual and organisational issues. The performance of the employees is related to leadership's effectiveness (Rahman, N. R. A. et al, 2020).

2.7 Theoretical Framework
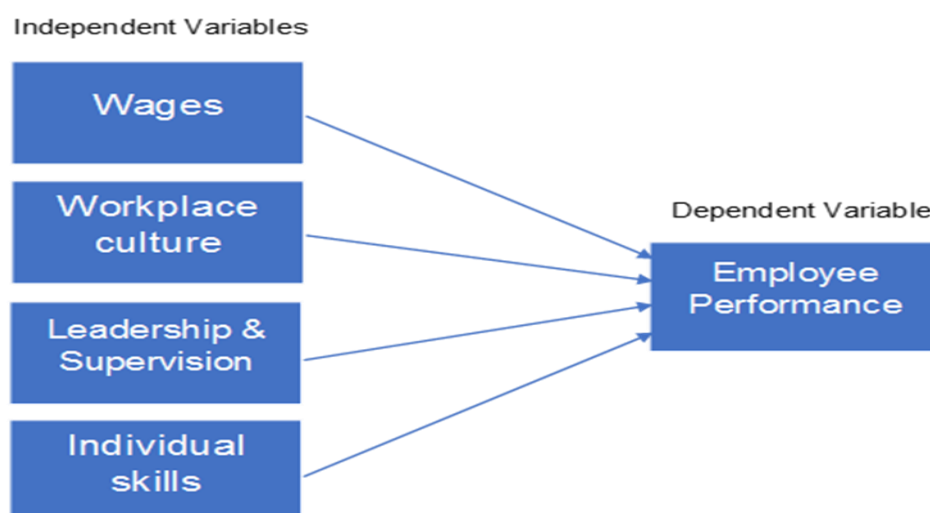
H1: Wages have a significant impact on employees' performance.

H2: Workplace culture has a significant impact on employees' performance.

H3: Leadership and supervision have a significant impact on employees' performance.

H4: Individual skills have a significant impact on employees' performance.

3.0 Methodology

Introduction

In this chapter, the factors that influence performance of employees in the workplace environment by focusing on factors such as wages, workplace culture, leadership and supervision and lastly is individual skills will be discussed. The research has been done through survey. In this research, the factors such as wages, workplace culture, leadership and supervision and individual skills played a key role in affecting employee performance.

3.1 Research Design

Based on the research objective, the quantitative research method has been used for this study. Quantitative analysis is a process of collecting and to examine numeral information. It can be used for identifying trends and averages, making forecasts, evaluating causal relationships, and generalizing outcomes to larger populations. It is useful to define patterns and means, to make projections, to determine causative relationships, and to generalize findings to broader community (Rahman, N. R. A., Ibrahim, Z., & Masri, R., 2020). The quantitative technique enables a larger sample size to be achieved and data can be gathered rapidly. Hence, applying this strategy, we have decided to collect data using the survey method where

we will be. The survey consists of two parts. Part A contains demographic questions such as gender, age, nationality, highest level of education and race. Part B contains five categories namely: employee performance, wages, workplace culture, leadership and supervision, individual skills.

3.2.1 Population

The population contain all office workers in and around Shah Alam, since a lot of office workers have been found. To choose people among office workers sector population, the companies were anticipated further likely to accidents depend on random and purposive sampling considered. The information regarding inhabitants was through workers such as account manager, office manager, clerk, administrative assistant, receptionist and more. A total of 150 respondents to this set of questions out of 383 sample sizes of industries questionnaires being sent in the priority areas of the Shah Alam.

3.2.2 Sampling Size

The target sample of this study is office workers across Shah Alam. The surveys would be distributed in online form to the employees. The type of sample was used in this study which is random simple sampling. According to un.org (2020), Shah Alam total population in 2017 is 189,000. Therefore, based on the sample size determination table, we target to have around 383 number of respondents that we need to give feedback for this study (The Research Advisor 2006). However, out of the 383 questionnaires being sent, we only received 192 number of respondents.

4.0 Results and Discussion

Variable	No of Items	Cronbach's Alpha
Employee Performance	5	0.727
Wages	5	0.764
Workplace Culture	5	0.766
Leadership and Supervision	5	0.775
Individual Skills	5	0.767

4.0 Descriptive Analysis

Descriptives

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
EPerformance	192	3.00	5.00	4.5010	.43511
Wages	192	3.00	5.00	4.1281	.60056
WCulture	192	3.00	5.00	4.4000	.52737
LSupervision	192	2.80	5.00	4.3604	.56762
ISkills	192	3.00	5.00	4.3375	.53628
Gender	192	1	2	1.30	.460
Age	192	2	7	4.43	1.771
Nationality	192	1	2	1.02	.124
Education	192	1	5	2.41	.875
Race	192	1	4	1.18	.541
Valid N (listwise)	192				

Table 1: Descriptive statistics

Descriptive analysis is used to see respondents' demographic information. As you can see from the table above, majority of our respondents are female. Most of them are 30 years old and above. Moreover, we received Malaysian respondents and very few non – Malaysian. Many of them are degree holder and lastly majority of our respondents are Malay.

Table 2: Cronbach's Alpha

4.1 Reliability Analysis

The table above display reliability test about five variables for this research paper. Cronbach Alpha is used to measure the internalize coherence to see in what way a collection of components as a group are connected. Variable becomes reliable if the Cronbach's Alpha is above 0.70. From table 2, you can see that all our variables have Cronbach's Alpha more than 0.70 which indicates that all our variables are positively reliable.

4.2 Correlation Analysis

Variables	# of Items	Cronbach Alphas	Employee Performance	Wages	Workplace Culture	Leadership and Supervision	Individual Skills
Employee Performance	5	.727	1	.618**	.619**	.603**	.616**
Wages	5	.764	.618**	1	.572**	.456**	.504**
Workplace Culture	5	.766	.619**	.572**	1	.615**	.663**
Leadership and Supervision	5	.775	.603**	.456**	.615**	1	.696**
Individuals Skills	5	.767	.616**	.504**	.663**	.696**	1

Table 3: Correlation Test

For this analysis, Pearson Correlation's was used to test if there is relationship between independent variable and dependent variable. Pearson Correlation can take a range of values from +1.0 to -1.0. as you can see in table correlation status If the value lies between 0.80 to 1.0 means that variables have a strong relationship, 0.60 until 0.79 indicate that they have relationship, the variables will be categorized as having moderate relationship if the values lies in 0.40 to 0.59, a week relationship is for the variables that having value in 0.20 until 0.39, if the value lies below 0.20 it's indicate that the variables is having very weak relationship.

Therefore, all the independent variables have a relationship with our dependent variable. Because their value of Pearson correlation is in between 0.60 to 0.79.

4.3 Regression Analysis

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.512	.200		7.565	<.001
	Wages	.235	.044	.325	5.330	<.001

Workplace Culture	.147	.060	.178	2.456	.015
Leadership and Supervision	.168	.055	.219	3.078	.002
Individual Skills	.148	.061	.182	2.413	.017

a.   Dependent Variables: Employee Performance

Table 4: Coefficient

Regression analysis is a way for us to evaluate the outcomes of a survey or experiment to see whether there are significant results in our study. By using this, we can see whether our hypothesis is accepted or rejected by looking at the value of sigma and t value in the coefficient table. If the sigma is less than 0.05 (<0.05) and the t value is more than 1.96 (>1.96), the hypothesis is accepted. We reject the hypothesis when the sigma value is equal to or greater than 0.05. In this analysis, independent variable as a predictor was referred, while dependent variable is a criterion. For this study, all four predictors which are wages, workplace culture, leadership and supervision and lastly is individual skills. And our criterion is one which is employee performance.

First predictor which is wages have sigma of <.001 and t value of 5.330. Next for workplace culture with sigma of .015 and t value of 2.456. For the third predictor is leadership and supervision with the sigma of .002 and t value of 3.078. Lastly are individual skills with the sigma of 2.413 and t value of .017. therefore, all the predictor is significant to our criterion.

4.4 Hypotheses Testing

Hypothesis	Significant Level	Result
H1: Wages have a significant impact on employees' performance	<.001	Accepted
H2: Leadership and supervision have a significant impact on employees' performance	0.002	Accepted
H3: Workplace culture has a significant impact on employees' performance	0.015	Accepted
H4: Individual skills have a significant impact on employees' performance	0.017	Accepted

Table 5: Hypotheses Testing Summary Table

4.5 Discussion

This study seeks to examine the factors that affect the performance of employees at the workplace. We have four predictors which are wages, workplace culture, leadership and supervision and individual skills. For criterion we have one which is employee performance. From this study, we can see that wages are a significant predictor to the criterion. Which means that the increase in

wages can lead to the increase of employees' performance. Moreover, workplace culture is also a positive predictor to employee performance. This means that employee believe the culture of workplace give impact to their performance. Next is leadership and supervision. As you can see, leadership and supervision are a significant predictor to employee performance. Thus, good leadership can enhance performance of employees. Lastly, individual skill is also positive predictor to employee performance. This indicates that employees' skill can impact their performance in the workplace.

4.6 Conclusion

This study was established to identify what are the factor that affect employees' performance. With rapidly growing economy, companies are struggling to improve the efficiency of their workforce. Employees plays an essential role in achieving company's goals. However, we believe that most companies did not pay attention on matter such as the factor that influence employees' performance. Companies will usually give their employees work and expect them to do well without caring about other aspect such as employees' need. In Shah Alam area, few studies have been done regarding this issue. Therefore, this research will really help those companies that are thriving in enhancing the performance of their employees (Rahman, N. R. A., Othman, M. Z. F., & Ab Yajid, S., 2018). Through this study, they can figure out the factors that influence employee performance and try to improve it.

Theoretical framework and hypotheses were developed which says that wages, workplace culture, leadership and supervision and individual skill significantly impact employees' performance. Through these hypotheses, methodology was created for this research. An online questionnaire was formed and distributed to targeted employees in private organizations in Shah Alam area. A total of 192 number of feedbacks received and responded to the questionnaire.

All the data gathered was analyzed using descriptive analysis. Descriptive analysis intends to show the scale that are most chosen by our respondents. The rating scales are 1: strongly disagree, 2: disagree, 3: neutral, 4: agree and 5: strongly agree. Most of our respondents choose 4: agree. Next analysis that we do is reliability. This method is used to see whether the variables are reliable or not and the result from this study is all our variable are reliable with above 0.70 Cronbach's Alpha. The correlation method is used to see how strong the variables relate to each other. A positive result was found from this analysis. Lastly is regression analysis was performed, this analysis is used to see if there is any relationship between our independent and dependent variables. From regression analysis, we found out that all our hypotheses are accepted.

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