

**An International Comparative Study of the Effects of  
'Best Practice' Human Resource Management on Worker  
Outcomes in Local Government Organisations:  
A Case between England and Malaysia**

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## ABSTRACT

This study empirically tests the universal thesis which proposes that 'best practice' HRM leads to enhanced individual and organisational performance. Research on the relationship between 'best practice' HRM and organisational performance has been of increasing interest over the last few decades. Findings from these studies have reported positive relationships between 'best practice' HRM and organisational performance however; the majority of studies have used company-dominated performance measures. Few have considered the effects of HRM practices on worker outcomes – a significant omission in the extant literature. Moreover, most of the studies conducted in this area are based on research emerging from the US and UK private sector organisations. Whether the universal thesis has similar performance effects across national contexts and sectors (public/private) has largely been untested. Therefore, the purpose of this study is to test the universal thesis in a non-Westernised country and to compare the effects of 'best practice' HRM on workers' performance outcomes in public sector organisations in England and Malaysia.

A self-administered questionnaire survey of 569 (England) and 453 (Malaysia) frontline workers, supervisors and middle managers working in England and Malaysia local government organisations was undertaken. The findings show that 'best practice' HRM explained workers' motivation, organisational citizenship behaviour and perceived organisational performance to a greater extent in Malaysia than in England local government organisations. Workers in Malaysia were found to be more motivated and more willing to help others with no additional pay in comparison to their England counterparts. However, even though 'best practice' HRM affected job satisfaction and intention to quit in both countries, the effect was greater for England workers. Furthermore, of the six HRM practices examined in this study, team working consistently had the most powerful effects on worker outcomes in both England and Malaysia local government organisations. Therefore, it appears that team working is an important predictor for achieving desirable worker outcomes in both countries.

The findings also show that organisational climate explained job satisfaction more so in Malaysia than in England local government organisations. Also, organisational climate predicted workers' motivation and organisational citizenship behaviour in Malaysia but not in England. Concerning the relationship between worker outcomes and perceived organisational performance, the findings show that different outcomes predicted organisational performance. For instance in England job satisfaction predicted perceived organisational performance whereas, in Malaysia motivation and intention to quit predicted perceived organisational performance. In conclusion, this study has addressed the significant gaps in the extant literature and has presented empirical evidence in support of the universal thesis, in that the evidence presented reports statistically significant relationships between 'best practice' HRM and worker outcomes in public sector organisations in both Westernised and non-Westernised countries.

*In memory of...*

*my beloved father, Haji Mohamed Ali and  
my dearly loved grandmother, Hjh Jariah Sheikh Ismail,  
whom I missed and cherished always...*

*Thank you for making such a great impression on my life  
and allowing me to learn so much from you  
that made me the person I am today.*

*Both of you have inspired me to pursue this study...  
but you died without seeing the fruitage of your inspiration.*

*I love both of you forever!*

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INTRODUCT  
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## CHAPTER

# 1

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## INTRODUCTION AND BACKGROUND OF RESEARCH

Chapter 1 introduces the background of the research emphasising the importance of 'best practice' human resource management, performance at individual level and an international comparative study of human resource management. This chapter also provides basic concepts of human resource management. Later, it presents a brief summary of the remaining chapters forming the thesis. This chapter concludes by presenting a diagram of the thesis structure.

### 1.1 Introduction

Human resource management plays an important role in an organisation. Its relationship with organisational performance has been an intensely debated subject matter during the last decade. The earlier work studying the relationship between human resource management and performance was based on an assumption that individual human resource practices could be universally applied to yield performance benefits (Ichniowski et al. 1997). However, there is now a substantial body of research examining the relationship between 'best practice' human resource management and organisational performance, which focused on bundles of 'best practice' human resource management that worked as complimentary to enhance performance (Barney 1995; Pfeffer 1998; Becker et al. 2001; Gould-Williams 2004). The majority of studies in this area are based on US and UK data sets. In consequence, studies on the same topic in other parts of the world are very

limited. To address this gap and as the beginning of the whole thesis, this chapter introduces the background of the research by emphasising the importance of ‘best practice’ human resource management and an international comparative human resource management. Also, this chapter provides basic concepts of human resource management and later presents a brief summary of the following chapters forming the thesis. At the end of the chapter, a diagram of the thesis structure is presented.

## **1.2 Background of the study**

In recent years, scholars have devoted a great deal of attention to investigating the relationship between ‘best practice’ human resource management and organisational performance. There appears to be growing interest evidence that ‘best practice’ human resource management significantly enhances organisational performance (e.g. Delery and Doty 1996; Ichniowski et al. 1997; Becker and Huselid 1998; Appelbaum et al. 2000; Godard 2001; Wright et al. 2003; Gould-Williams 2004; Boselie et al. 2005). Based on these empirical evidences, it is also becoming increasingly clear that the human resource is one important element that can help an organisation to be more effective and achieve competitive advantage. Using a resource-based perspective of the organisation, Barney (1995) suggests that organisations can simply develop sustained competitive advantage by generating value in a unique way, which is difficult for competitors to replicate, through workers. According to this view, if workers are a source of competitive advantage, they should not be viewed as a cost to be minimised or avoided (Wright and McMahan 1992; Pfeffer 1994; Barney and Wright 1998; Gratton 2000). More

organisations are now considering their workers as assets in an attempt to gain competitive advantage, as other organisational resources, such as technology, new product, natural resources and economies of scale, are easier to replicate by competitors (Becker and Gerhart 1996). Although competitors might recognise and imitate other organisational resources, it is very difficult for them to imitate the whole human resource management system (Becker and Gerhart 1996; Becker and Huselid 1998; Gratton 2000).

### **1.2.1 ‘Best practice’ human resource management**

If we accept the view that workers are the most important assets in achieving organisational competitive advantage, then the way they are treated is important (Pfeffer 1994). The question that should be addressed now is how managers can manage their workers effectively? Scholars in the area of human resource management and performance propose that on the basis of the resource-based perspective, there is an identifiable set of ‘best practice’ human resource management that are thought to have a universal, additive and significant positive effect on organisational performance (Wood and deMenezes 1998; Godard 2001; Gould-Williams 2004). Furthermore, as the individual practices have limited capability to develop competitive advantage in isolation, ‘best practice’ human resource management should be considered as a collection group (Barney 1995; Pfeffer 1998; Becker et al. 2001). Considering as complementary resources, the practices “*can enable a firm to realise its full competitive advantage*” (Barney 1995: 56).

Scholars have named this set of ‘best practice’ human resource management according to their studies, as the following labels show: ‘high performance work practices’ (e.g. Huselid 1995; Pfeffer 1998; Delaney and Godard 2001), ‘high performance work systems’ (e.g. Huselid and Becker 1997; Appelbaum et al. 2000; Danford et al. 2004), ‘high commitment HRM practices’ (Walton 1985; Gould-Williams 2004), ‘innovative human resource practices’ (e.g. MacDuffie 1995), ‘high involvement work practices’ (e.g. Lawler 1992; Guthrie 2001), ‘best practice’ human resource management (e.g. Pfeffer 1994), ‘progressive human resource management practices’ (e.g. Delaney and Huselid 1996), ‘specific employment practices’ (e.g. Delery and Doty 1996), and ‘high-performance practices’ (e.g. Godard 2004). Although scholars support the notion of the specific set of ‘best practice’ human resource management, the question of which practices should be compliment together seems unanswered (Lepak and Snell 1999). However, *“until consensus is achieved on conceptual matters, and perhaps even then, it would seem that HRM can consist of whatever researchers wish or, perhaps, what their samples and data sets dictate”* (Boselie et al. 2005: 74).

### **1.2.2 Performance measures**

As stated earlier, there have been numerous studies focused on empirically testing the impact of human resource management practices on performance outcomes. These studies suggest that there is a significant positive relationship between ‘best practice’ human resource management and performance (Ichniowski et al. 1996; Delery and Doty 1996; Capelli and Neumark 2001, Bjorkman and Xiuchen 2002; Wright et al. 2003; Bartel 2004; Michie and Sheehan-Quinn 2005). However, the

majority of the studies used organisation-dominated performance measures, notably financial-economic indicators such as return on average assets, return on equity, turnover, sales, labour productivity, and profitability. Therefore, less attention has been paid to exploring the concept of performance from a worker's perspective. Here, as Paauwe (2004) argues, shows that prior studies have adopted a narrow definition of performance. As such, in order to improve our understanding of the relationship between human resource management and performance, broader definitions of performance should be used, with a consideration of performance outcomes of interest to a range of stakeholder groups and environmental issues (Guest 1997; Paauwe 2004).

For example, the balanced scorecard model recognises the importance of outcomes for both shareholders and stakeholders. This model defines performance at different dimension of outcomes such as financial-economical, operational, and customers rather than to focus on typical financial outcome (Kaplan and Norton 1992). Though the balanced scorecard has suggested a multiple dimension of performance, it has been criticised that the model does not go far enough as it ignores performance from the perspective of workers (Atkinson et al. 1997; Maltz et al. 2003; Andersen et al. 2004). In consequence, a definition of performance with a much wider range of stakeholders is needed (Paauwe 2004).

Paauwe (2004) defines performance by integrating both financial-economic and employment relationships dimensions and propose a multidimensional model of performance. In this model, he divided performance into three dimensions namely: (i) strategic dimension, (ii) professional dimension, and (iii) societal dimension.

While the strategic dimension focuses on the expectations of boards of directors, CEOs, shareholders and financial institutions to generate added value and profits for the organisations; the professional dimension focuses on the expectations of line managers, workers and staff of HR departments to achieve high quality of personnel department services. The third dimension highlights moral values and focuses on the expectations of work councils, trade unions, government and other interest groups from both inside and outside the organisation.

Another model of performance is the 4logic human resource management scorecard (Paauwe 2004). This model is based on the multiple dimensional model of performance. The additional element to this model is the delivery perspective, which focuses on cost effectiveness and works through HR departments, line management, outsourcing, teams and workers themselves, and self-service through e-HRM. Paauwe (2004) suggests that other delivery channels such as line managers, teams and external consultants can carry out the HRM function, not only HR manager. Thus, Paauwe (2004) argues that performance should not only be measured from the financial-economic perspectives but also from other perspectives.

Besides the argument concerning a narrow definition of performance, there is ongoing debate concerning the process of how 'best practice' human resource management and performance link. In fact, the lack of empirical evidence in this area is regarded as a key weakness in the 'best practice' human resource management and organisational performance literatures (Appelbaum et al. 2000). In order to explain the process of how 'best practice' human resource management



affect performance, Guest (1997) suggests theories of organisational behaviour and motivation. For example, Guest (1997) proposes one possible basis for developing a rational relationship between 'best practice' human resource management and performance based on expectancy theory of motivation. Boxall and Purcell (2003) also adapted the expectancy theory to describe the linkage between 'best practice' human resource management and performance. Besides expectancy theory, the AMO theory of human performance (Appelbaum et al. 2002) and psychological contracting theory (Rousseau 1990) might also explain how the link between 'best practice' human resource management and performance work.

In sum, the majority of studies in the human resource management literature focus on the relationships between 'best practice' human resource management and performance at the organisational level. In other words, the majority of scholars have relied on managers' perceptions to examine the performance of the organisation. Therefore, the studies on the relationship between 'best practice' human resource management and performance using the measures of workers' experience are few and limited (Boselie et al. 2005).

### **1.2.3 International comparative human resource management**

It has been said that research in international comparative human resource management is important due to the increased level of globalisation and the internationalisation of business (Clark et al. 1999; Budhwar and Debrah 2001). As multinational corporations enter the more dynamic and challenging world of international business and globalisation of world markets continues rapidly,

managers need to concern on how to manage their multi-cultural human resources in other countries and within their own national contexts (Schullion and Starkey 2000; Schuler et al. 2002; Lansbury and Baird 2004).

With regards to the universalistic perspective of human resource management, this perspective has received many supports from previous studies examining the relationship between 'best practice' human resource management and organisational performance (e.g. Pfeffer 1994; Huselid 1995; Ichniowski and Shaw 1999; Gould-Wiliams 2004). It is argued that a specific set of 'best practice' human resource management will always achieve superior performance outcomes, regardless of size, industry or business strategy (Pfeffer 1998).

Nevertheless, the studies have tended to use samples only from the US and UK. Some scholars argue that those studies advocated universal perspective without taking into consideration the differences in national culture and institutional background (Budhwar and Khatri 2001; Budhwar and Debrah 2001; Boselie et al. 2005). The models used in the US and UK may not provide similar findings in non-Westernised countries due to the difference in national cultures, economic situations, labour laws, trade union systems, government interventions and management styles (Brewster 1995; Bowen et al. 2002; Budhwar and Sparrow 2002a; 2002b). Therefore, *"there is a need to understand more thoroughly differences in HRM systems across wider range of cultural and nationalistic boundaries"* (Arvey et al. 1991: 368).

Taken the above paragraphs as a whole, the majority of the empirical research has been undertaken in Westernised countries with very few studies carried out across countries. The studies mainly considered the relationships between 'best practice' human resource management and performance at organisational level in private sector organisations. Consequently, whether 'best practice' human resource management affect performance at the individual level, in public sector, non-Westernised countries remains an empirical question. It is also questionable whether the universalistic perspective of human resource management is applicable beyond Westernised countries.

Therefore, this current study will investigate whether emulating empirical research concerning the 'best practice' human resource management and performance relationships in a Malaysia local government will have the same findings as the research done by Gould-Williams (2003) in England local government. In other words, generally, this current research project attempts to investigate whether the institutional context intervene the relationship between 'best practice' human resource management, individual worker outcomes and organisational performance. Thus, the following section outlines the purpose of the current research project.

### **1.3 Objective of the study**

On a basis of the rationale of the study explained in the previous section, the general objective for the current research project is to acquire empirical evidence relating to an international comparative study of the effects of 'best practice' human resource management on performance outcomes from workers point of view. The main objective of this research project is to compare the effects of 'best practice' human resource management on performance outcomes between a stratified sample of local government workers in England and Malaysia. Specifically, it is to compare the relationship between 'best practice' human resource management and both worker outcomes and perceived organisational performance between local governments in the two countries.

### **1.4 Hypotheses of the study**

Linked with the objectives of the study, and to address the gap in the 'best practice' human resource management and performance literature, the researcher will test the following hypotheses:

*Hypothesis 1a: 'Best practice' HRM will positively effect worker motivation in England local government organisations.*

*Hypothesis 1b: 'Best practice' HRM will positively effect worker motivation in Malaysia local government organisations.*

*Hypothesis 1c: Organisational climate will positively effect worker motivation in England local government organisations.*

*Hypothesis 1d: Organisational climate will positively effect worker motivation in Malaysia local government organisations*

*Hypothesis 2a: 'Best practice' HRM is positively associated with job satisfaction in England local government organisations.*

*Hypothesis 2b: 'Best practice' HRM is positively associated with job satisfaction in Malaysia local government organisations.*

*Hypothesis 2c: Organisational climate is positively associated with job satisfaction in England local government organisations.*

*Hypothesis 2d: Organisational climate is positively associated with job satisfaction in Malaysia local government organisations.*

*Hypothesis 3a: 'Best practice' HRM is positively associated with organisational citizenship behaviour in England local government organisations.*

*Hypothesis 3b: 'Best practice' HRM is positively associated with organisational citizenship behaviour in Malaysia local government organisations.*

*Hypothesis 3c: Organisational climate is positively associated with organisational citizenship behaviour in England local government organisations.*

*Hypothesis 3d: Organisational climate is positively associated with organisational citizenship behaviour in Malaysia local government organisations.*

*Hypothesis 4a: 'Best practice' HRM is positively associated with stress in England local government organisations.*

*Hypothesis 4b: 'Best practice' HRM is positively associated with stress in Malaysia local government organisations.*

*Hypothesis 4c: Organisational climate is positively associated with stress in England local government organisations.*

*Hypothesis 4d: Organisational climate is positively associated with stress in Malaysia local government organisations.*

*Hypothesis 5a: 'Best practice' HRM is negatively associated with intention to quit in England local government organisations.*

*Hypothesis 5b: 'Best practice' HRM is negatively associated with intention to quit in Malaysia local government organisations.*

*Hypothesis 5c: Organisational climate is negatively associated with intention to quit in England local government organisations.*

*Hypothesis 5d: Organisational climate is negatively associated with intention to quit in Malaysia local government organisations.*

*Hypothesis 6a: 'Best practice' HRM is positively associated with perceived organisational performance in England local government organisations.*

*Hypothesis 6b: 'Best practice' HRM is positively associated with perceived organisational performance in Malaysia local government organisations.*

*Hypothesis 6c: Organisational climate is positively associated with perceived organisational performance in England local government organisations.*

*Hypothesis 6d: Organisational climate is positively associated with perceived organisational performance in Malaysia local government organisations.*

*Hypothesis 6e: Worker motivation is positively associated with perceived organisational performance in England local government organisations.*

*Hypothesis 6f: Worker motivation is positively associated with perceived organisational performance in Malaysia local government organisations.*

*Hypothesis 6g: Job satisfaction is positively associated with perceived organisational performance in England local government organisations.*

*Hypothesis 6h: Job satisfaction is positively associated with perceived organisational performance in Malaysia local government organisations.*

*Hypothesis 6i: Organisational citizenship behaviour is positively associated with perceived organisational performance in England local government organisations.*

*Hypothesis 6j: Organisational citizenship behaviour is positively associated with perceived organisational performance in Malaysia local government organisations.*

*Hypothesis 6k: Stress is positively associated with perceived organisational performance in England local government organisations.*

*Hypothesis 6l: Stress is positively associated with perceived organisational performance in Malaysia local government organisations.*

*Hypothesis 6m: Intention to quit is negatively associated with perceived organisational performance in England local government organisations.*

*Hypothesis 6n: Intention to quit is negatively associated with perceived organisational performance in Malaysia local government organisations.*

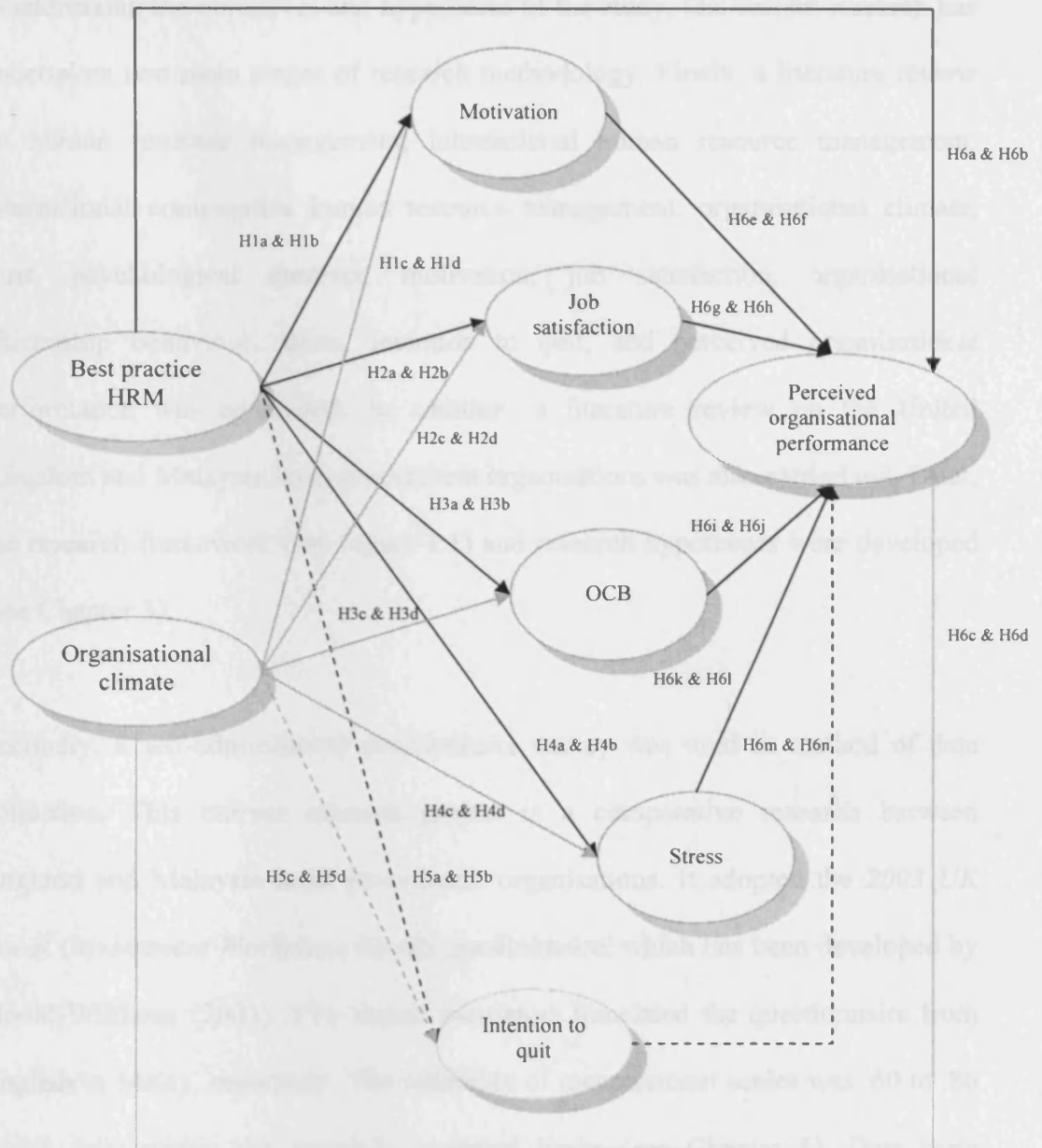


## **1.5 Research framework of the study**

The research framework of the study is to offer a map of what this research is all about. It shows that the independent variables that are 'best practice' human resource management, organisational climate, worker involvement, trust and resources; are linked with worker motivation, job satisfaction, organisational citizenship behaviour, stress and intention to quit, and consequently linked with perceived organisational performance. In particular, as shown in Figure 1.1, the research framework explains that 'best practice' human resource management and organisational climate are expected to be positively associated with worker motivation, job satisfaction, organisational citizenship behaviour, stress and perceived organisational performance; and inversely associated with intention to quit.

Furthermore, the framework explains that motivation, job satisfaction, organisational citizenship behaviour and stress is expected to be positively associated with perceived organisational performance; and intention to quit is expected to be inversely associated with perceived organisational performance. The control variables for this research also showed in the research framework. These are country, age, salary, gender, contract, job position, benefits/revenue service department, planning service department, housing service department and waste service department.

Figure 1.1 Research framework of the study



**Control variables:**  
 Country, Age, Salary, Gender, Contract, Job position, Benefits service department, Planning service department, Housing service department, Waste service department

## 1.6 Research methodology of the study

In addressing the objectives and hypotheses of the study, this current research has undertaken two main stages of research methodology. Firstly, a literature review on human resource management, international human resource management, international comparative human resource management, organisational climate, trust, psychological contract, motivation, job satisfaction, organisational citizenship behaviour, stress, intention to quit, and perceived organisational performance was conducted. In addition, a literature review on the United Kingdom and Malaysia local government organisations was also carried out. Later, the research framework (see Figure 1.1) and research hypotheses were developed (see Chapter 3).

Secondly, a self-administered questionnaire survey was used as method of data collection. This current research project is a comparative research between England and Malaysia local government organisations. It adopted the *2003 UK Local Government Workplace Survey* questionnaire, which has been developed by Gould-Williams (2003). Two expert translators translated the questionnaire from English to Malay, separately. The reliability of measurement scales was .60 to .86 which falls within the generally accepted limits (see Chapter 5). Data were randomly collected from front-line workers, supervisors and middle managers of 45 service departments in England and 20 service departments in Selangor (Malaysia) local government. The participated service departments were Benefits/Revenue, Planning, Housing, Waste, and Leisure. Data for England were obtained from Gould-Williams's (2003) study, which were 569 respondents. Whereas, of 750 questionnaires issued in Malaysia during the fieldwork (June –

August 2004), 453 questionnaires were completed and returned by the respondents. This gave an initial response rate of 60.4 per cent (see Chapter 5).

Finally, both descriptive statistics (i.e. frequency scores, percentages, means, and standard deviations) and inferential statistics (i.e. t-test, bivariate correlation test and regression test) were used to analyse the data. Here, the Statistical Package for the Social Sciences (SPSS version 12) was used. While a literature review offered theories and empirical evidences to support findings for this current research, the questionnaire survey helped the researcher to explore the effects of 'best practice' human resource management and organisational context on workers' perceptions of their working environment and organisational performance in local government settings. This provided the researcher with information that could be used to make direct comparisons of workers' experiences in local government organisations between the two countries.

Before this thesis proceeds to further discussions on the issues of the relationship between 'best practice' human resource management and performance, it is useful to offer here the definitions of human resource management, how it differs from personnel management and what are the fundamental models for examining the human resource management and performance relationships. Thus, the next section presents definitions of human resource management as stated by various scholars.

## 1.7 Definitions of human resource management

Human resource management, as a more effective and productive approach to managing workers in organisations has attracted enormous attention and stimulated significant debate among scholars and practitioners (Boxall and Purcell 2003). It has generated a huge volume and diversity of literature over the past decade. For example, research based on US organisations has found that the economic success of an organisation largely depends on its human resource management (Peters and Waterman 1982; Youndt et al. 1996; Ichiniowski et al. 1997; Appelbaum et al. 2000; Park et al. 2003). However, the consensus concerning the definition of human resource management is still debated (Guest 1987; Storey 2001; Boxall and Purcell 2003; Boselie et al. 2005). It appears to be an indefinable concept as it seems to have various meanings (Price 2004). The following are definitions of human resource management that are found in the current literature.

Beer et al. (1984) define human resource management as any decision or action in management that affects the nature of the relationship between the organisation and its workers. Fombrun et al. (1984) state that:

*... just as firms will be faced with inefficiencies when they try to implement new strategies with outmoded structures, so they will also face problems of implementation when they attempt to effect new strategies with inappropriate HR systems. The critical management task is to align the formal structure and the HR systems – selection, appraisal, rewards and development – so that they can drive the strategic objectives of the organisation (Fombrun et al. 1984: 34).*

By emphasising the concept of mutuality, Walton (1985: 36) asserts that:

*...the new HRM model is composed of policies that promote mutuality [mutual goals, mutual influence, mutual respect, mutual rewards and mutual responsibility]. The theory is that policies of mutuality will elicit commitment, which in turn will yield both better economic performance and greater human development (Walton 1985: 36).*

Guest (1987) points out the importance of four HR outcomes to achieve both individual and organisational performance. He proposed that:

*...the main dimensions of HRM [involve] the goal of integration (i.e. if human resources can be integrated into strategic plans; if human resources policies cohere; if line managers have internalised the importance of human resources and this is reflected in their behaviour and if employees identify with the company; then the company's strategic plans are likely to be more successfully implemented); the goal of employee commitment; the goal of flexibility/adaptability [i.e. organic structure, functional flexibility]; the goal of quality [i.e. quality of staff, performance, standards and public image] (Guest 1987: 511-515).*

Sisson (1990: 1) applies a general definition by referring human resource management to “*policies, procedures and processes involved in the management of people in work organisations*”. Keenoy (1990) then refers to human resource management as a method of maximising economic return from human resources by integrating human resource management with the business strategy. Price (2004) stated that there are a half dozen of definitions of human resource management however; the core of human resource management is as simple as to get work done through:

- (i) strategic selection of suitable workers;
- (ii) training and development of competent and skilled workers;
- (iii) provision of incentive rewards systems to retain employees and overall flow of management communication;

- (iv) performance appraisal to increase level of transparency; and
- (v) harmonious industrial relations to reduce conflicts and achieve cost effectiveness.

Armstrong (2001: 3-4) defines human resource management as “*a strategic and coherent approach to the management of an organisation’s most valued assets: the people working there who individually and collectively contribute to the achievement of its objectives*”. Thus, human resource management is something that management tend to believe in, and it could therefore be referred to as a notion of how workers can best be managed to achieve organisational goals (Armstrong 1994; 2001).

Storey (2001: 6) applies a more specific definition by stating that human resource management is “*a distinctive approach to employment management which seeks to achieve competitive advantage through the strategic deployment of a highly committed and capable workforce using an array of cultural, structural and personnel techniques*”. Storey’s definition has the advantage that: (i) it specifies the characterisation of human resource management as one particular approach to managing people; (ii) it yields a competent and committed workforce; and (iii) it positively affects organisational competitive advantage or performance. These three themes can be recognised in much of the conceptual and empirical work on human resource management.

Heery and Noon (2001: 162) refer human resource management as “*a set of professional practices; a co-ordinated approach to managing people that seeks to integrate the various personnel activities so that they are compatible with each other; and a systematic approach to personnel management, as advocated by organisations representing the personnel profession*”. As such, the important area of worker’s recruitment and selection, development, reward systems and involvement are interrelated. As they stated, “*...the key areas of employee resourcing, employee development, employee reward, and employee involvement are considered inter-related*” (Heery and Noon 2001: 162). Furthermore, policy-making and procedures in one area will have an effect on other areas hence, “*HRM is an approach that takes a holistic view and considers how these various areas can be integrated*” (Heery and Noon 2001: 162).

A typical definition of human resource management as given by Boxall and Purcell (2003: 1) is “*all those activities associated with the management of the employment relationship in the firm. The term ‘employee relations’ will be used as an equivalent term as will the term ‘labour management’*”. In this definition, Boxall and Purcell (2003) describe human resource management as being concerned with workers at all levels of management in the organisation including the managers themselves and allows for a range of management styles. From this perspective, human resource management involves the management of work and people in the organisation, it includes both individual and collective dimensions. Therefore, human resource management is related to managing people and work, individually and collectively. Human resource management is also concerned



about organisations and societies in which an organisation operates (Boxall and Purcell 2003).

In sum, the above definitions can be grouped into two approaches to human resource management: (i) 'hard' approach to human resource management, and (ii) 'soft' approach to human resource management (Storey 1992). According to Storey (1992), the 'hard' approach to human resource management emphasises *"the quantitative, calculative and business-strategic aspects of managing the headcount resources in as 'rational' a way as for any other factor of productive"* (Storey 1992: 29). This approach is concerned with the importance of strategic fit in which human resource management policies and practices are closely related to the organisation's strategic objective (Guest 1999). It views workers as key resources by which managers endeavour to achieve competitive advantage (Guest 1999). In simple words, from this approach, a worker is seen as similar to all other resources in an organisation such as capital and technology (Marchington and Wilkinson 2005). Thus, the 'hard' approach to human resource management is based on the concepts of tight strategic control and McGregor's theory X perspective of individuals (Truss et al. 1997). The McGregor's theory X and Y will be explained in more details later when the researcher discusses performance and workers' outcomes in Chapter 3.

In contrast to the 'hard' approach, the 'soft' approach to human resource management is linked with the human relations movement, the utilisation of individual talents and McGregor's theory Y perspective on individual (Truss et al.

1997; Armstrong 2001). Walton (1985) referred to this as a concept of 'high commitment work system', with the aim of "*eliciting a commitment so that behaviour is primarily self-regulated rather than controlled by sanctions and pressures external to the individual; and relations within the organisation are based on high levels of trust*" (Wood 1996: 41). Furthermore, 'soft' human resource management is concerned with treating workers as valued assets, a source of competitive advantage and focuses on the need to meet workers' commitment through their skills and abilities, involvement, communications, motivations, leadership and other methods of developing a high commitment and high trust organisation (Storey 2001; Armstrong 2001). Thus, this approach views workers as means rather than objects (Guest 1999). In other words, the 'soft' approach to human resource management is intended to improve economic performance through a motivated, committed and productive workforce. Workers are sharing the same goals and working as a team in harmonious ways (Gennard and Judge (2005). Nevertheless, Truss (2001) argues that even through the rhetoric of human resource management is 'soft', in reality, it is usually 'hard'.

The above discussion shows that both 'hard' and 'soft' approaches to human resource management are viewed as opposing, with managerial control strategies to 'hard' approach and human nature strategies to 'soft' approach. However, there are scholars who combine both approaches in their model of human resource management such as Guest (1987) and Storey (2001). Guest (1987) for example, constructs a model of human resource management, which contains reference to four human resource management outcomes including 'strategic integration',

which is clearly related with his interpretation of the 'hard' approach and 'commitment', which is related with his interpretation of the 'soft' approach.

For the purpose of this research project, the researcher will use a definition of human resource management by Beer et al. (1984) in which human resource management "*...involves all management decisions and actions that affect the relationship between the organisation and employee - its human resources. General management make important decisions daily that affect this relationship*" (Beer et al. 1984: 1). This means that human resource management involves the "*development of all aspects of an organisations context so that they will encourage and even direct managerial behaviour with regard to people*" (Beer et al. 1984: 4). With this definition, human resource management can be described as:

*strategic; it involves all managerial personnel [and especially general managers]; it regards people as the most important single asset of the organisation; it is proactive in its relationship with people; and it seeks to enhance company performance, employee needs and societal well-being (Poole 1990: 3).*

While this section explains about definition of human resource management, the following section explains the difference between human resource management and personnel management.

## 1.8 Human resource management and personnel management

In the prior section, it shows that scholars defined human resource management in a broader mode hence, it is considered different from personnel management. As Legge (1995) stated:

*[Should HRM be regarded] as a 'special variant' of personnel management, reflecting a particular discipline or ideology about how employees should be treated? Or should [it be considered] as a variety of very different policies and practices designed to achieve the desired employee contribution, judged solely against criteria of coherence and appropriateness? In which case would we be treating HRM as perspective on personnel management, not personnel management itself? (Legge 1995: 68).*

There are many doubts surrounding the distinctiveness of human resource management and personnel management in which some scholars simply change the term of personnel management to human resource management without obvious change in meaning, and used the terms interchangeably. Nevertheless, Armstrong (2001) argued that the changes from personnel management term to human resource management could serve useful purposes. As Armstrong (2001) notes:

*HRM is regarded by some personnel managers as just a set of initials or old wine in new bottles. It could indeed be no more and no less than another name for personnel management, but as usually perceived, at least it has the virtue of emphasizing the virtue of treating people as a key resource, the management of which is the direct concern of top management as part of the strategic planning processes of the enterprise. Although there is nothing new in the idea, insufficient attention has been paid to it in many organizations. The new bottle or label can help to overcome that deficiency (Armstrong 2001: 32).*

The three key differences between human resource management and personnel management according to Legge (1995) are:

- (i) Personnel management is an activity aimed mainly at non-managers whereas human resource management is less clearly focused but is certainly more concerned with managerial workers;
- (ii) human resource management is much more of an integrated line management activity whereas personnel management seeks to influence line management; and
- (iii) human resource management stresses the importance of senior management being involved in the culture management whereas personnel management has always been rather suspicious of organization development and related unitarist, social-psychologically oriented ideas.

Prior to Legge (1995), Guest (1987) differentiated human resource management and personnel management as presented in Table 1.1.

Table 1.1 A comparison between personnel management and human resource management

	Personnel Management	Human Resource Management
Time and planning perspective	Short-term Reactive <i>Ad hoc</i> Marginal	Long-term Proactive Strategic Integrated
Psychological contract	Compliance/obedience	Commitment
Control systems	External controls	Self-control
Employee relations perspective	Pluralist Collective Low trust	Unitarist Individual High trust
Preferred structures/systems	Bureaucratic/mechanistic Centralised Formal define roles	Organic Decentralised Flexible roles
Roles	Specialist/professional	Largely integrated into Line management
Evaluation criteria	Cost-minimisation	Maximum utilisation (Human asset accounting)

Source: Guest (1987: 507)

As a summary, human resource management seems to be,

*a more central strategic management task than personnel management in that it is experienced by managers, as the most valued company resource to be managed, it concerns them in the achievement of business goals and it expresses senior management's preferred organisational values. In a nutshell, HRM represents the discovery of personnel management by chief executives (Legge 1995: 75-76).*

Thus, human resource management is a central strategic activity, which developed, owned and delivered by management as a whole to promote the interests of the organisation (Armstrong 2001). The next section will now discuss the

development of human resource management and subsequently the fundamental models of human resource management.

## **1.9 Development of human resource management**

Historically, according to Pieper (1990), the concept of human resource management was started in the late of 1950s and early 1960s when it was a decline of human relations philosophy and the propagation of a different perspective of the workforce by organisational humanists like Argyris and McGregor. Since the 1960s, all the approaches specifically treat human labour as the main asset of an organisation rather than viewing them primarily as a cost factor (Boxall 1992). Thus, the term 'human resources' was introduced by Raymond Miles in 1965, in order to differentiate the new perspective from the old human relations model and its *keep-people-happy* strategies. Later on, in 1975, Raymond Miles differentiated between the three models of management, which were traditional, human relations and human resources (Pieper 1990). In the 1980s, research groups at the University of Michigan (Devanna et al. 1984; Fombrun et al. 1984) and Harvard Business School (Beer et al. 1985) developed new concepts of human resource management that looked beyond simple emphasis of the importance of the human factor aimed at integrating the personnel function into general strategic management (Legge 1995). The following paragraph will briefly present both models.

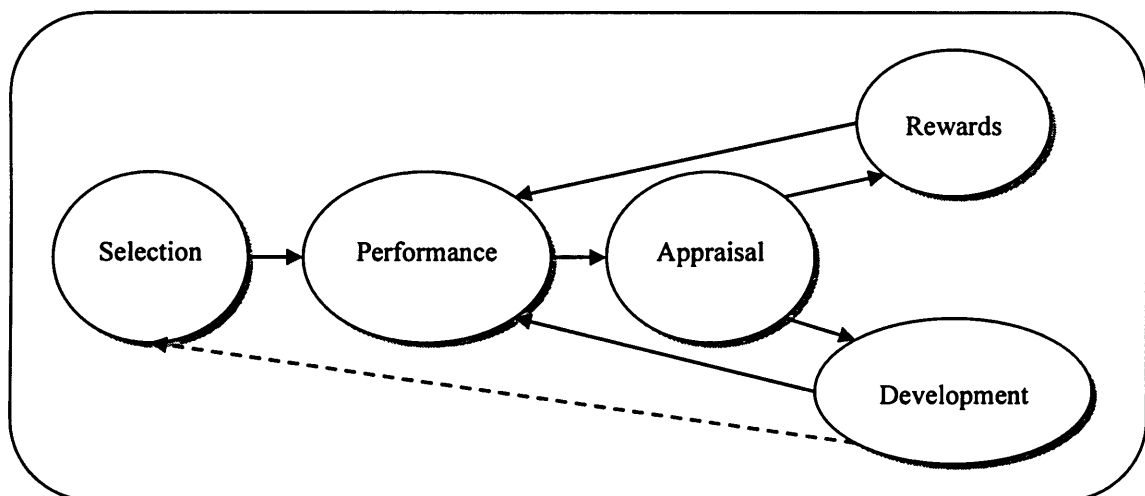
### 1.9.1 Michigan model of human resource management

The US matching model of human resource management by the Michigan School seems to be the first explicit statement of the human resource management concept (Price 2004). The important fact based on this model is in order to improve performance, all organisations must perform four generic functions which Devanna et al. (1984) refer to as the *human resource cycle*, which is selection, performance management, rewards, and development (see Figure 1.2 for the model). As Devanna et al. (1984) claimed,

*Performance is a function of all the HR components: selecting people who are the best able to perform the jobs defined by the structure; appraising their performance to facilitate the equitable distribution of rewards; motivating employees by linking rewards to high levels of performance; and developing employees to enhance their current performance at work as well as to prepare them to perform in positions they may hold in the future (Devanna et al. 1984: 41).*

Thus, the assumption is that superior performance at both the individual and organisational level is achieved when the four generic functions are appropriately aligned.

Figure 1.2 The matching model of human resource management: The HR cycle

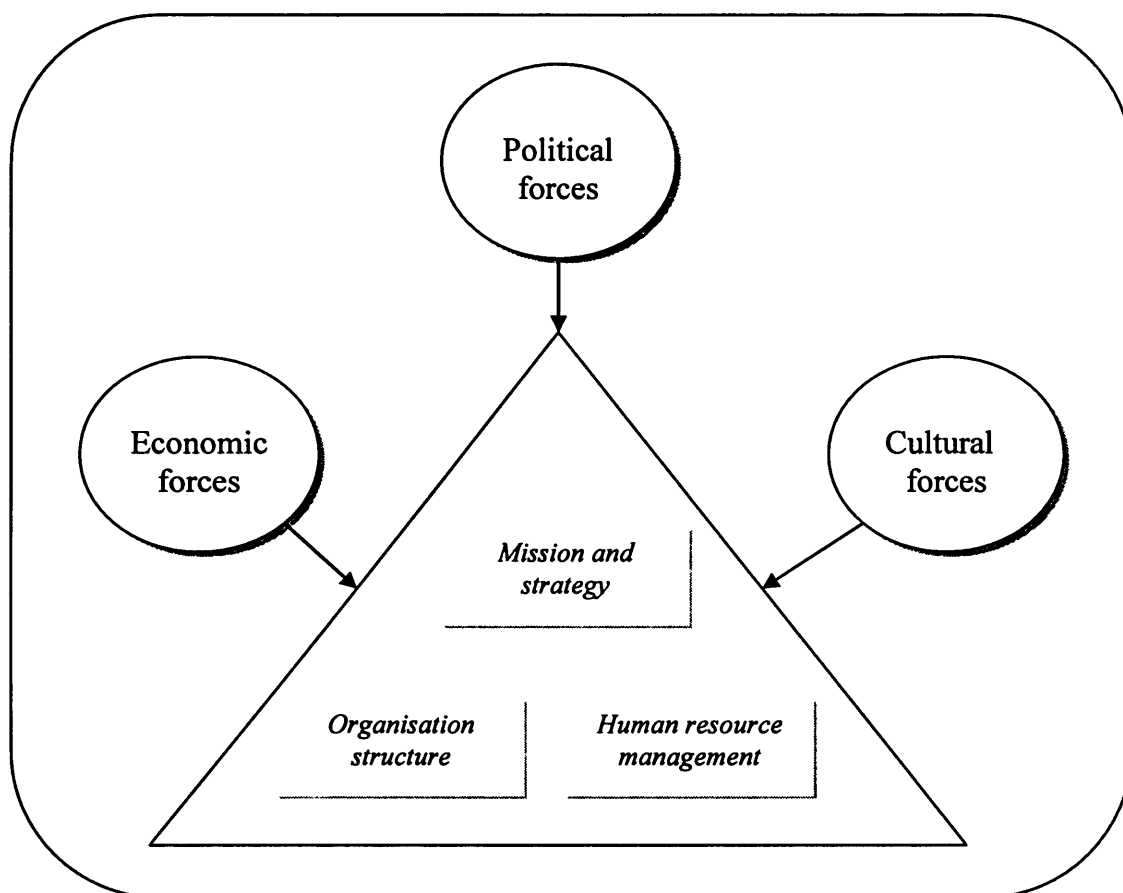


Source: Devanna et al. (1984: 41)



In other words, Fombrun et al. (1984) assert that HR systems and organisational structures should be managed in a way that is congruent with organisational strategy (see Figure 1.3). This work according to Boxall (1992) constitutes the key idea of the model.

Figure 1.3 Strategic management and environmental pressures



Source: Fombrun et al. (1984: 35)

As shown in Figure 1.3, in order to achieve greater performance, managers should consider various factors in making strategic decisions. These factors include mission and strategy, formal structure and HR systems. According to Devanna et al. (1984), organisations need a reason for being (i.e. a mission) and a sense of

how to display materials, information and people to carry it out (i.e. a strategy). With a formal structure, people and tasks are organised to implement the organisation's strategy. The organisation's formal structure is its systems of financial accounting and information dissemination. Finally, people are recruited and developed to do jobs defined by the organisation's formal structure, and their performance must be monitored and rewarded to maintain greater productivity.

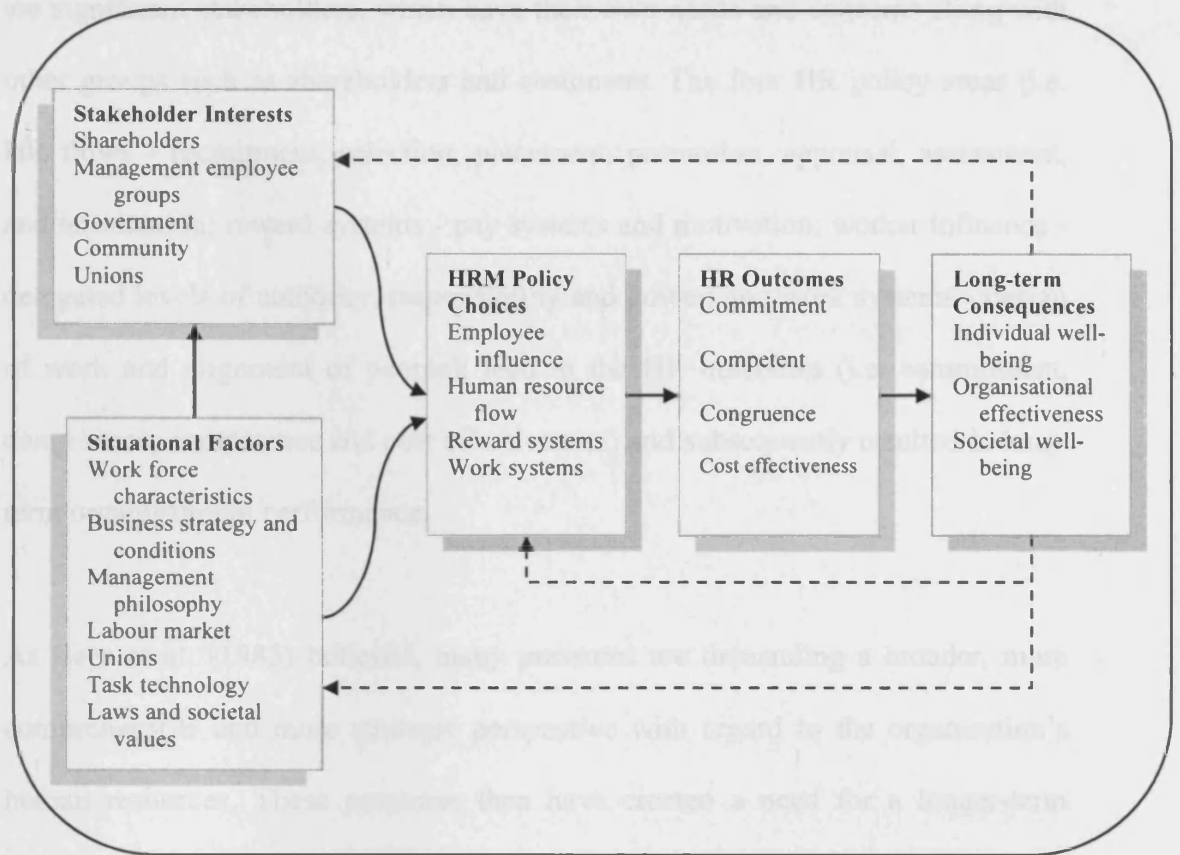
In its simplest form, the matching model of human resource management merely shows that organisational effectiveness depends on a 'tight fit' between HR strategy and business strategy (Boxall 1992). Thus, the main focus of the matching model is to ensure that there is a 'match' or 'fit' between the overall direction of the organisation and the way in which its people should be managed (Marchington and Wilkinson 2005). However, this model has been criticised as it depends on a rational, mechanical form of organisational decision-making while in reality, the decision-making process is more complex than the model allows (Price 2004). As the model ignores worker relations as the main focus on managerial activity, it has also been criticised as being too unitarist (Boxall 1992). Therefore, this model uses a 'hard' approach to human resource management, and posits that workers are resources in the same way as any other business resource (Price 2004).

### **1.9.2 Harvard model of human resource management**

On the other hand, the Harvard Business School model for human resource management as shown in Figure 1.4, developed by Beer et al. (1985) consists of six basic components. These are:

- (i) situational factor such as workforce characteristics, management philosophy and labour market conditions that combine to shape the environment within which organisations operate;
- (ii) stakeholder interests such as compromises and trade-offs that occur between the owners of the firms and its workers and the unions;
- (iii) human resource management policy choices: worker influence, HR flow, reward systems and work systems;
- (iv) HR outcomes: commitment, competence, cost effectiveness and congruence, which incorporates issues connected with trust, motivation and skills;
- (v) long-term consequences such as individual well-being, organisational effectiveness and societal goals; and
- (vi) a feedback loop which showing that this model is not conceived as a simple one-way set of relationships between the different components.

Figure 1.4 The Harvard model of human resource management



Source: Beer et al. (1985: 17)

In comparison with the Michigan model, Beer et al. (1984) describe Harvard model as an analytical model that adopts a more pluralistic approach to employee relations. It provides clearer conceptual relationships between HR policies and other organisational factors. As Boxall (1993) stated,

*The Harvard model offers an improved conceptualisation of the links between human resource policies and other organisational variables, which is pluralist in its philosophical basis. The idea that HR strategy should be linked to business strategy presented, but the need for consideration of, and compromise with, workforce and union aspirations is also recognised (Boxall 1993: 654).*

In other words, in this model, Beer et al. (1985) see workers as resources. Workers are significant stakeholders, which have their own needs and concerns along with other groups such as shareholders and customers. The four HR policy areas (i.e. HR flows - recruitment, selection, placement, promotion, appraisal, assessment, and termination; reward systems - pay systems and motivation; worker influence - delegated levels of authority, responsibility and power; and work systems - design of work and alignment of people); lead to the HR outcomes (i.e. commitment, congruence, competence and cost effectiveness) and subsequently resulted in long-term organisational performance.

As Beer et al. (1985) believed, many pressures are demanding a broader, more comprehensive and more strategic perspective with regard to the organisation's human resources. These pressures then have created a need for a longer-term perspective in managing people and consideration of people as potential assets rather than merely a variable cost (Boxall 1992). Therefore, as Beer et al. (1985) proposed, the long-term consequences should be assessed at three levels: individual, organisational and societal. The model thus, encourages managers to consider the broader, long-term consequences of HR policy rather than simply considering on immediate short-term achievements such as financial performance.

The Harvard model has several strengths that make the model more attractive than the Michigan model (Boxall 1992). Firstly, the Harvard model incorporates recognition of a range of different stakeholder interests. Second, the model acknowledges a broad range of contextual influences on management's choice of HR strategy. The third and the most important strength is the model allows for

multiple levels of analysis, which it distinguishes between organisational level and societal level. Furthermore, the recognition of outcomes and issues at the societal level creates the basis for a critique of comparative human resource management that is entirely absent from the matching model (Boxall 1992). As Beer et al. (1984) said,

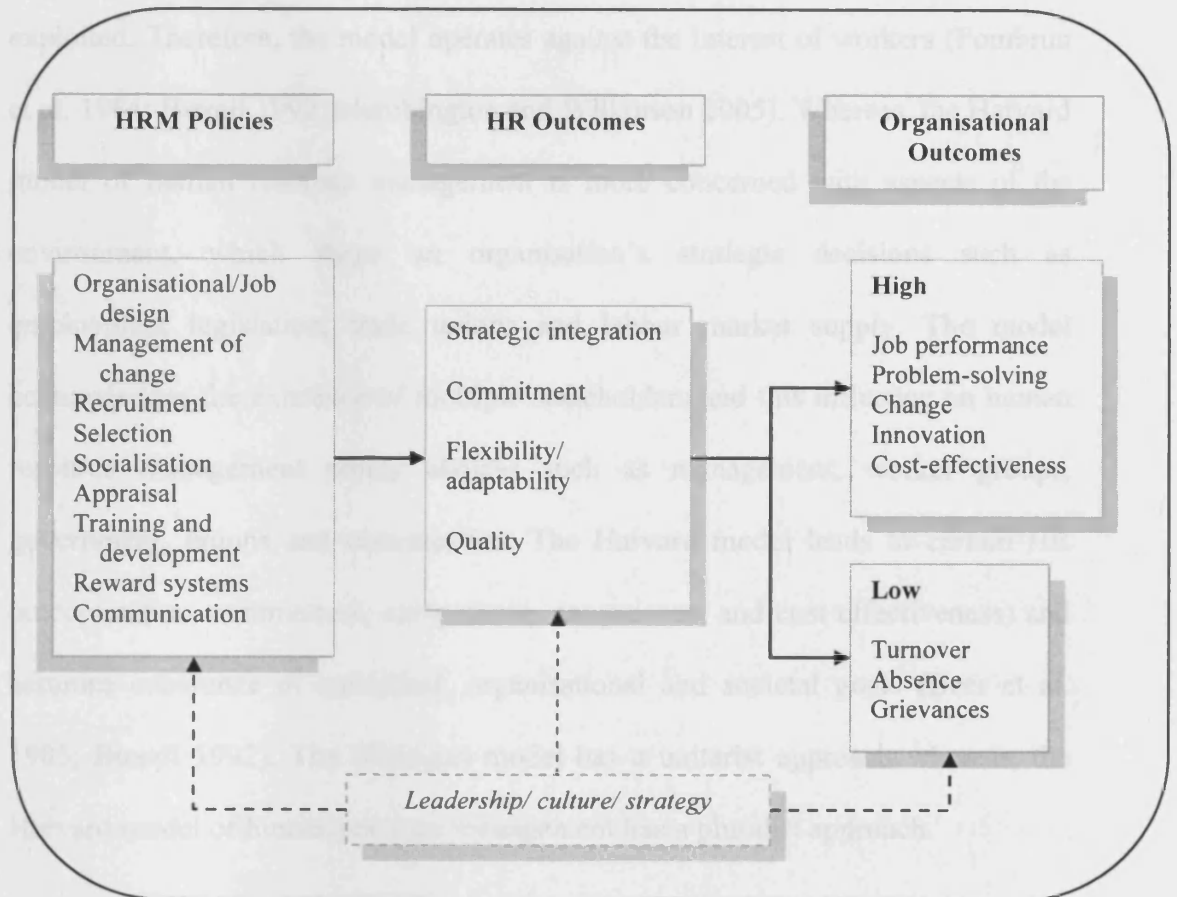
*...variations in HRM policies and practices across countries offer useful alternatives for US managers to learn from. This comparative perspective allows managers to examine and question the ideology and assumptions that underlie their own HRM practices. Looking at what managers in other countries do can also suggest alternative models for integrating people and organisations (Beer et al. (1984: 35).*

### **1.9.3 Guest's model of human resource management**

Building on the Harvard model, Guest (1987) develops his own model of human resource management. As shown in Figure 1.5, Guest (1987) recognises that the four HR outcomes specified in the Harvard model (i.e. commitment, competence, congruence and cost effectiveness) constitute an implicit theory. This 'soft' interpretation of human resource management is made possible by the fact that the Harvard model contains both analytical and prescriptive elements. Similar with the Harvard model, Guest (1987) develops four key intermediate policy goals: (i) strategic integration, (ii) commitment, (iii) flexibility/adaptability, and (iv) quality. In order to attain these goals, Guest (1987) emphasises that managers should select appropriate human resource management policies. These human resource management policies include organisation/job design, management of change, recruitment, selection, socialisation, appraisal, training and development, reward systems and communication. Nevertheless, an organisation has to ensure that the organisational culture, strategy and leadership style are congruent with 'soft'

human resource management values before it will successfully achieve the HR outcomes.

Figure 1.5 Guest's model of human resource management



Source: Guest (1989: 49)

Again, similar with the Harvard model, Guest (1987) suggested that long-term organisational outcomes, which include high job performance, high problem-solving, high innovation, low turnover and low absence, will only be achieved if all the four HR outcomes are achieved. The strength of this model is that it takes the implicit Harvard model and expresses it as a clearer, more carefully constructed set of theoretical propositions, which can be tested (Boxall 1992).

#### **1.9.4 Summary**

In sum, the Michigan model is primarily concerned with achieving fit between HR strategy and business strategy through selection, appraisal, rewards and development. The model sees workers as just another resource to be developed and exploited. Therefore, the model operates against the interest of workers (Fombrun et al. 1984; Boxall 1992; Marchington and Wilkinson 2005). Whereas, the Harvard model of human resource management is more concerned with aspects of the environment, which shape an organisation's strategic decisions such as employment legislation, trade unions and labour market supply. The model acknowledges the existence of multiple stakeholders and this influence on human resource management policy choices such as management, worker groups, government, unions and communities. The Harvard model leads to certain HR outcomes (i.e. commitment, competence, congruence, and cost effectiveness) and assumes coherence of individual, organisational and societal goals (Beer et al. 1985; Boxall 1992). The Michigan model has a unitarist approach whereas, the Harvard model of human resource management has a pluralist approach.

Finally, extended from the Harvard model, Guest's model of human resource management sees individual worker at the centre of the relationship between human resource management practices and performance. Guest's model proposes that a set of 'best practice' human resource management can result in greater individual and organisational performance such as, positive psychological contract, higher motivation, flexible adaptive workforce, decentralised organisational structure, higher productivity and higher profitability.



Therefore, this research will use Guest's model of human resource management as a foundation to explain the effects of 'best practice' human resource management on both worker and organisational outcomes in England and Malaysia local government organisations.

The following section presents the summary of the contents of each of the subsequent chapters found in this thesis.

### **1.10 Structure of the thesis**

As a summary, this thesis consists of seven chapters. Following the Introduction and Background of Research in **Chapter 1**, **Chapter 2** provides the theoretical foundation of human resource management and their relationships with organisational performance applied to the current research including strategic, descriptive and normative theories of human resource management. This chapter also provides the basic concept of organisational climate and its empirical evidence.

**Chapter 3** deals with the theoretical foundation of performance and theories related to workers' outcomes including expectancy theory, AMO theory, psychological contract theory, Maslow's hierarchy of needs theory, McGregor's Theory X and Theory Y, hygiene-motivation theory, and job characteristic model. In addition, this chapter focuses on a comprehensive review of the empirical literature concerning organisational performance, trust and workers' outcomes:

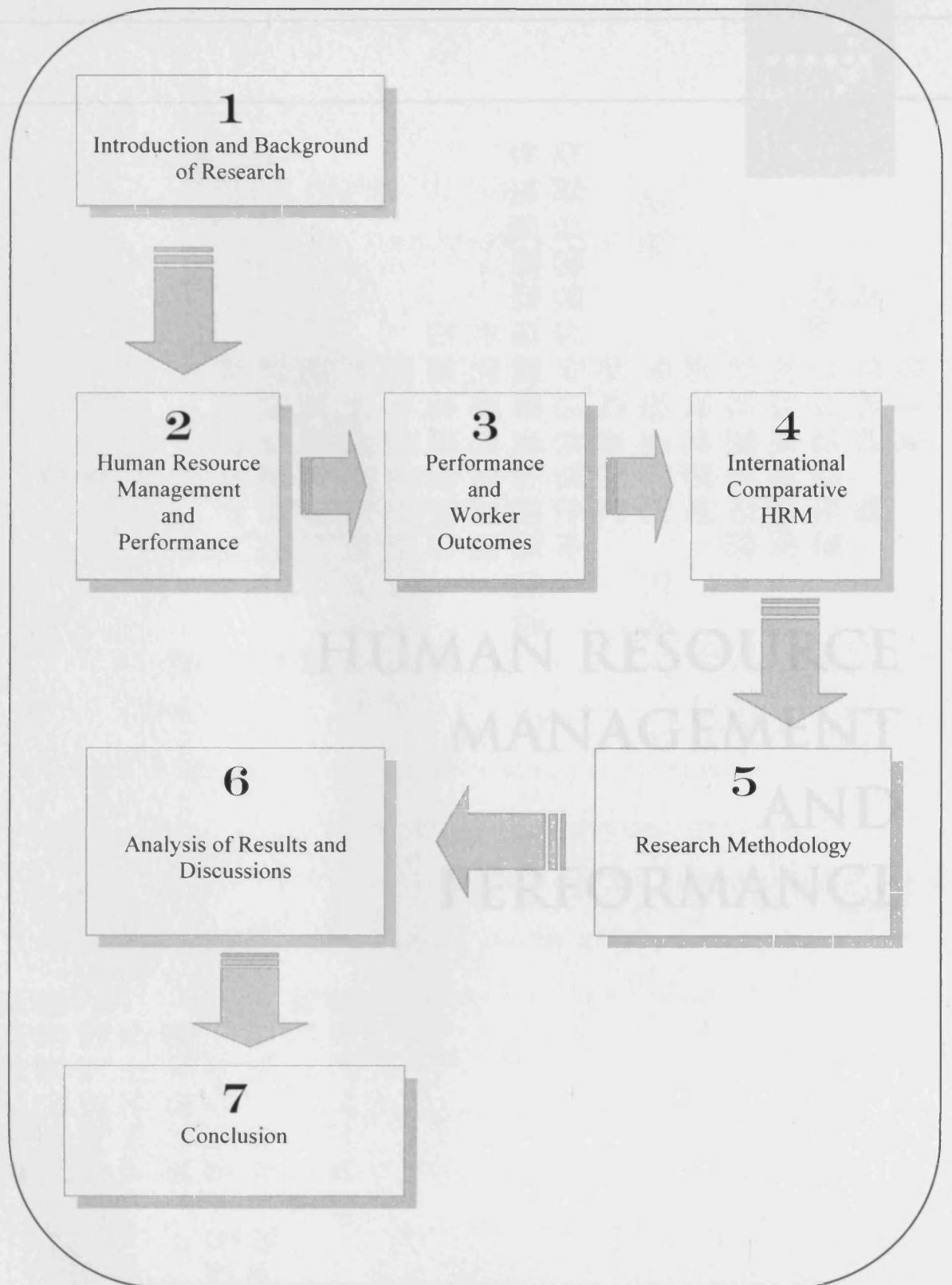
motivation, job satisfaction, organisational citizenship behaviour, stress and intention to quit.

**Chapter 4** overviews the literature on international comparative human resource management. The chapter explains the basic concept of international comparative human resource management. The theoretical models for international comparative research that holds the Asia-Pacific regional perspective should also be considered. Furthermore, this chapter outlines human resource management in Malaysia. A comprehensive review on comparative human resource management policies and practices in various countries is presented at the end of this chapter.

A thorough explanation on research methodology is provided in **Chapter 5**. This chapter explains the research design adopted for this current research and describes the methodology used to collect and analyse data for examining the hypotheses developed in Chapter 3.

**Chapter 6** reports the findings and discussions of this current research project. Finally, **Chapter 7** concludes the whole thesis by identifying each hypothesis and highlighting the main findings. This chapter also considers the implications and contributions of the current research to the wider human resource management and performance debate and acknowledges the limitations of the study. Suggestions for future research are also considered in this final chapter. A diagram of the thesis structure is shown in Figure 1.6.

Figure 1.6 Structure of the thesis



HUMAN RESC  
MANAGE  
PERFORM

## CHAPTER

# 2

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### HUMAN RESOURCE MANAGEMENT AND PERFORMANCE

Chapter 2 aims to explain the general-level theories of HRM and their relationships with organisational performance. This chapter provides empirical evidence on HRM-performance relationships and presents a comprehensive list of best practice HRM used in various studies. Organisational climate is also described, as it is an important element in evaluating the relationship between best practice HRM and performance. At the end of the chapter, a summary of central ideas of each theory is outlined.

#### **2.1 Introduction**

The role of workers or human resources in enhancing organisational performance or creating sustained competitive advantage has attracted much research attention (e.g. Delery and Doty 1996; Godard 2001; Gould-Williams 2004; Boselie et al. 2005; Michie and Quinn 2005). Findings from the studies provide evidence of statistically significant relationships between best practice HRM and organisational performance. In other words, there appears to be growing evidence that best practice HRM enhance organisational performance (e.g. Ichniowski et al. 1997; Rodriguez and Ventura 2003; Wright et al. 2003) as well as worker well-being (e.g. Appelbaum et al. 2000; Godard 2001; Gould-Williams 2003).

Workers are often thought to be one of the organisation's most important resources and should be considered when undertaking an analysis of strengths, weaknesses, opportunities, and threats of the organisation, besides financial, physical, and organisational assets (Gratton 2000). Commentators advocate that workers should be regarded as a source of competitive advantage rather than simply a cost to be minimised or avoided (Wright and McMahan 1992; Pfeffer 1994; Barney 1995; Gratton 2000). Thus, it is argued that the success of an organisation cannot be explained without describing its internal attributes namely its resources and capabilities (Barney 1995). As Barney suggests:

*Sustained competitive advantage cannot be created simply by evaluating environmental opportunities and threats, and then conducting business only in high-opportunity, low-threat environments. Rather, creating sustained competitive advantage depends on the unique resources and capabilities that a firm brings to competition in its environment (Barney 1995: 60).*

Moreover, the resource-based perspective proposes that organisations can develop sustained competitive advantage of human resources, by generating value that is unusual, inimitable, and non-substitutable (e.g. Lado and Wilson 1994; Wright et al. 1994).

Given that workers may be one of the most important assets in achieving organisational goals, the way they are treated is important (Pfeffer 1994). They may benefit an organisation when they are managed effectively (Truss 2001). For example, a worker is likely to perform better if he/she feels that rewards is directly related to his/her performance at work and is encouraged to suggest ways in which services delivery can be improved (Michie and Quinn 2005).

The question now is how can managers manage their workers effectively? To answer this question, researchers suggest that, from the resource-based perspective, there is an identifiable set of best practice HRM. These practices are thought to have a universal, additive and positive effect on organisational performance (Wood and deMenezes 1998; Godard 2001; Gould-Williams 2003; Michie and Sheehan-Quinn 2005). Barney (1995) argues that the best practice HRM should be considered as a collective group as complementary resources are important:

*...the individual practices have limited ability to generate competitive advantage in isolation, but in combination, they can enable a firm to realise its full competitive advantage (Barney 1995: 56).*

However, best practice HRM may not necessarily be 'best' for workers' too. For example, Godard (2001) found that alternative work practices associated with high levels of workload, stressfulness and fatigue. Likewise, Smith (1997) found organisational staffing practices increased workers' work intensity and stress.

While it is believed that best practice HRM lead to enhanced organisational performance, scholars and practitioners state that a better understanding of the processes by which best practice HRM impact worker performance is needed. Thus, Guest (1997) proposes three important aspects to gain a better understanding of the relationship between best practice HRM and performance. These are:

- i) a theory of HRM,
- ii) a theory of performance, and
- iii) a theory on how HRM and performance are related.

From the literatures, best practice HRM are also termed by scholars as 'high performance work practices' (e.g. Huselid 1995; Pfeffer 1998; Delaney and Godard 2001), 'high performance work systems' (e.g. Huselid and Becker 1997; Appelbaum et al. 2000; Danford et al. 2004), 'innovative human resource practices' (e.g. MacDuffie 1995), 'high involvement work practices' (e.g. Lawler 1992; Guthrie 2001), 'high commitment work practices' (e.g. Arthur 1994), 'best practices' human resource management (e.g. Pfeffer 1994; 1998), 'progressive human resource management practices' (e.g. Delaney and Huselid 1996), 'specific employment practices' (e.g. Delery and Doty 1996), and 'high-performance practices' (e.g. Godard 2004).

Beside a theory, references to previous work are also important as they lend credibility to the current study. As Black states, "*Most studies are built on the work of others; and research tends to progress in small steps, not huge leaps*" (Black 2002: 15). Therefore, the purpose of this chapter is to provide theories of HRM and outline supporting evidence where appropriate. This chapter will explain the strategic, descriptive and normative theories of HRM. Following that, the chapter will discuss the empirical evidence that supporting the universalistic or/and contingency perspective to HRM. Organisational climate is also described, as it is an important element in evaluating the HRM and performance relationships. At the end of the chapter, a comprehensive list of best practice HRM used in various studies and the central posits of each HRM theories are summarised. The discussions concerning theories of performance and how HRM-Performance is linked are presented in Chapter 3.



## 2.2 General-level theories of HRM

A model or a theory is important as it can be thought as explanations of how something functions or why events happen. A typical definition of theory as given by Kerlinger (1973) is:

*a set of interrelated constructs (concepts), definitions, and propositions that present a systematic view of phenomena by specifying relations among variables, with the purpose of explaining and predicting the phenomena (Kerlinger 1973:9).*

In other words, theory is an internally consistent group of relational statements (i.e. concepts, definitions and propositions) that present a systematic view about a phenomenon and which is useful for description, explanation, prediction and control. Glaser and Strauss (1967) agree with Kerlinger's definition, but go beyond it in their argument that good theory should not only explain and predict but also be useful. In their view, the functions of theory are:

*(i) to enable prediction and explanation of behavior; (ii) to be useful in theoretical advance; (iii) to be useful in practical applications--prediction and explanation should be able to give the practitioner understanding and some control of situations; (iv) to provide a perspective on behavior--a stance to be taken toward data; and (v) to guide and provide a style for research on particular areas of behavior (Glaser and Straus 1967:3).*

According to Wright and McMahan (1992), a theory is essential for both scholars and practitioners as it aims to moderate the complexity of empirical work through explanation and predictions. If the theories are accurate, they can reach the objectives of prediction (i.e. knowledge of the outcome) and understanding (i.e. knowledge of the process) concerning the relationships between the variables of interest.

Therefore, a good theory as stated by Wright and McMahan (1992), allows scholars and practitioners to predict what will happen when variables are given a set of values, and to understand why the predicted value should result.

Due to the above definitions, it is important that the current research applies relevant theories to describe, explain, predict and understand the effects of best practice HRM on perceived organisational performance and worker outcomes. As found in the HRM literatures, there are three general types of HRM theory, which are classified as: strategic theories, descriptive theories and normative theories of HRM. The following sections will now describe each of these HRM theories in more detail.

### **2.2.1 Strategic theories of HRM**

The strategic theories of HRM focus on the relationship between various external factors and best practice HRM. A key idea of the strategic theories is that if best practice HRM fit external contingencies or business strategies, performance enhancement will be achieved. These theories are based on the work of Miles and Snow (1984), Schuler and Jackson (1987) and Hendry and Pettigrew (1990).

Miles and Snow (1984) categorise the types of HRM strategy based on their earlier studies of strategy and structure. They suggest that each organisation should pursue an appropriate set of HRM policies and practices to reflect and support the organisation's business strategy.

These include:

- i) *Defenders.* Defenders focus on a narrow line of products where organisations strongly defend their positions in the market. Top managers are very expert in their organisation's limited area of operation but do not seek outside of their domains for new opportunities. They operate in stable environments in which efficiency is essential to organisational performance. Since defenders apply a narrow focus of product line, organisations need to make major changes in its technology, structure or operational methods once in a while.
  
- ii) *Prospectors.* Prospectors are always seeking new market opportunities and aggressively develop both new products and new markets. Thus, organisations that have this strategy are the inventors of change; operate in dynamic and uncertain environments in which their competitors must respond. Nevertheless, due to their strong concern for product and market innovation, they commonly are not completely efficient.
  
- iii) *Analyzers.* Analyzers work on two kinds of product-market divisions: (i) a stable market and (ii) a changing market. A stable market refers to organisations that operate routinely and efficiently in formal structures and processes whereas, a changing market means organisations observe their competitors thoroughly for new ideas and promptly adopt the best one.

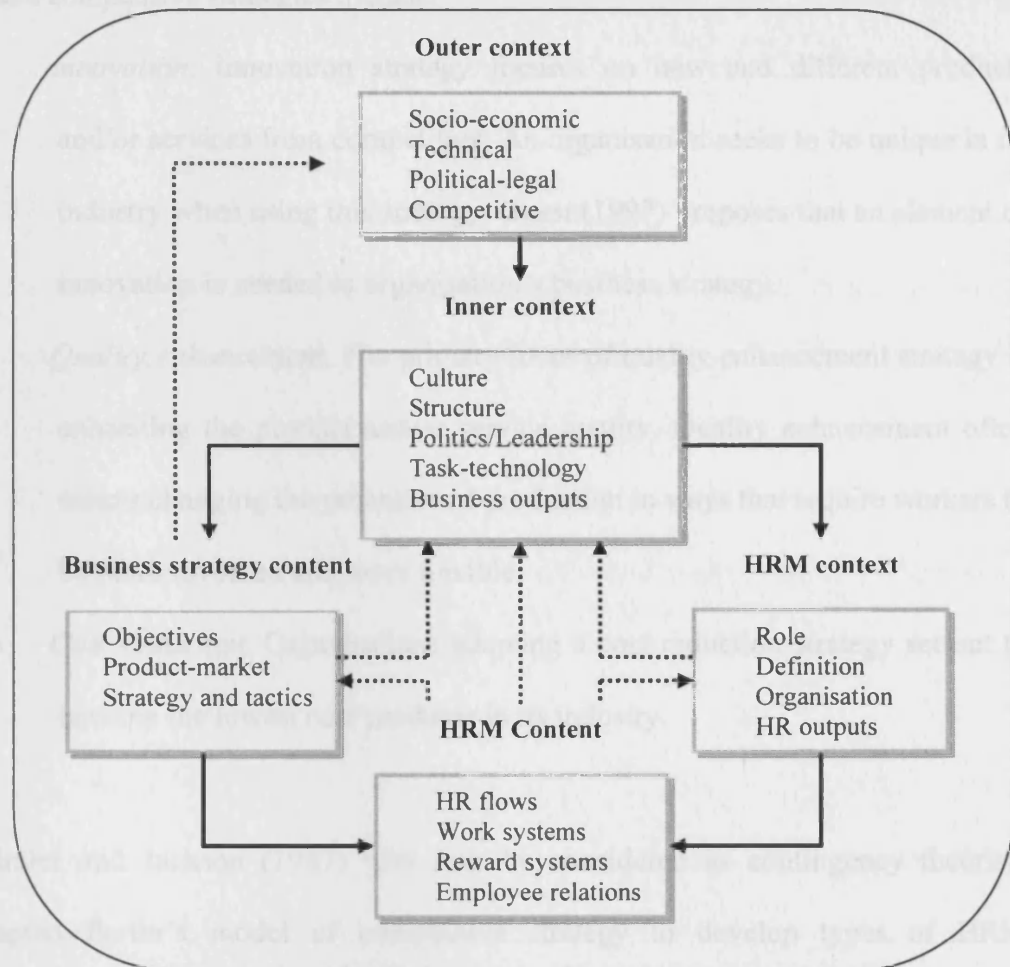
- iv) *Reactors*: Reactors are defined as organisations where their top managers frequently perceive change and uncertainty occurring in their organisational environments but are not able to respond effectively. Since reactors have no consistent strategy they seldom make adjustments of any sort until forced to do so by environmental pressures.

Referring to these business strategies, Miles and Snow (1984) hypothesise that organisations will certainly perform better when there is consistency between business strategy and structure and HRM policies and practices.

Later in 1990, Hendry and Pettigrew (1990) used the Harvard Business School Model as a basis of their work (see Figure 2.1), which argues that an organisation's HRM policy and practice choices are affected by a range of situational or external factors such as labour market trends, technology, workforce characteristics and the role of unions. The model, as showed in Figure 2.1 focuses on the effects of key environmental factors on HRM policy and practices. Instead of examining the link to performance, Hendry and Pettigrew (1990) determined an inner and outer context of the organisation and investigated the way in which HRM practice fits to changes in the context.

An inner context includes factors within the organisation namely culture, structure, politics/leadership, task-technology and business output. The outer context includes factors outside the organisation and beyond its control, such as socio-economic, technical, political-legal and competitive.

Figure 2.1 Hendry and Pettigrew's model of strategic change and human resource management



Source: Hendry and Pettigrew (1990: 26)

While Hendry and Pettigrew (1990) adopted the Harvard for explaining the types of HRM strategy, much of the work completed in the U.S. adopt the existing corporate strategic models, such as Porter's (1985) model of competitive strategy, to categorize the numerous types of HRM strategy. Porter (1985) describes the concept of competitive advantage as the essence of competitive strategy and identifies three strategies that organisations may use to attain competitive advantage.

These competitive strategies include:

- i) *Innovation*. Innovation strategy focuses on new and different products and/or services from competitors. An organisation seeks to be unique in its industry when using this strategy. Guest (1997) proposes that an element of innovation is needed in organisation's business strategy.
- ii) *Quality enhancement*. The primary focus of quality enhancement strategy is enhancing the product and/or service quality. Quality enhancement often means changing the processes of production in ways that require workers to be more involved and more flexible.
- iii) *Cost reduction*. Organisations adopting a cost reduction strategy set out to become the lowest cost producer in its industry.

Schuler and Jackson (1987) who may be considered as contingency theorists adapted Porter's model of competitive strategy to develop types of HRM strategies. They used three business strategies (i.e. innovation, quality enhancement and cost reduction) and suggested that, a different set of best practice HRM should be adopted depending on the business strategy. For example, organisations pursuing an innovation organisation's strategy should have:

*jobs that need close interaction and coordination among groups of individual; performance appraisals for longer-term and group-based achievements; training and development for workers; compensation systems; low pay rates, but let workers to be stockholders and have more freedom to choose the mix of components such as salary, bonus, or stock options; and broad career paths to reinforce the development of a broad range of skills (Schuler and Jackson 1987: 213).*

Schuler and Jackson (1987) hypothesised that, organisations which achieve best fit between business strategy and best practice HRM will achieve superior performance. Likewise, Guest (1997) suggests that best practice HRM should be developed on the basis of a organisation's external environment, business strategy and HR strategy. The key idea is that organisations should have a number of alternative strategies to be in a position to react to environmental forces. These alternatives should fit with the HR strategy and practices. Guest (1997) hypothesised that organisations with the most appropriate business strategies that reflect external environmental forces that fit with the HR strategy and practices will result in superior performance. He applies the strategic types of Miles and Snow (1984) to test this relationship and link it with various performance measures.

Guest (1997) also points out that in the work of Hendry and Pettigrew (1990), HRM policy and practice turn out to be the dependant variable and the untested hypothesis is that, when an organisation's HRM practice fit with the external environmental factors, superior performance will be achieved. Delery and Doty (1996) also suggest that appropriate best practice HRM, which are consistent with the overall business strategy should achieve superior organisational performance. The contingency perspective hypothesises that:

*The relationship between human resource practices and financial performance will be contingent on an organisation's strategy (Delery and Doty 1996: 808).*

Therefore, the contingency theorists such as Schuler and Jackson (1987) and Wood (1999), suggest several fundamental assumptions of this theory:

- i) There appears a non-linear relationship between best practice HRM and organisational performance, expressed by first order interactions between the variables that predict organisational performance. Meaning that, products of two best practice HRM appear among the explanatory variables.
- ii) The effect of the best practice HRM and organisational performance is different for the different levels of the critical contingency variable.
- iii) The main concept of strategic or contingency theories is external fit.

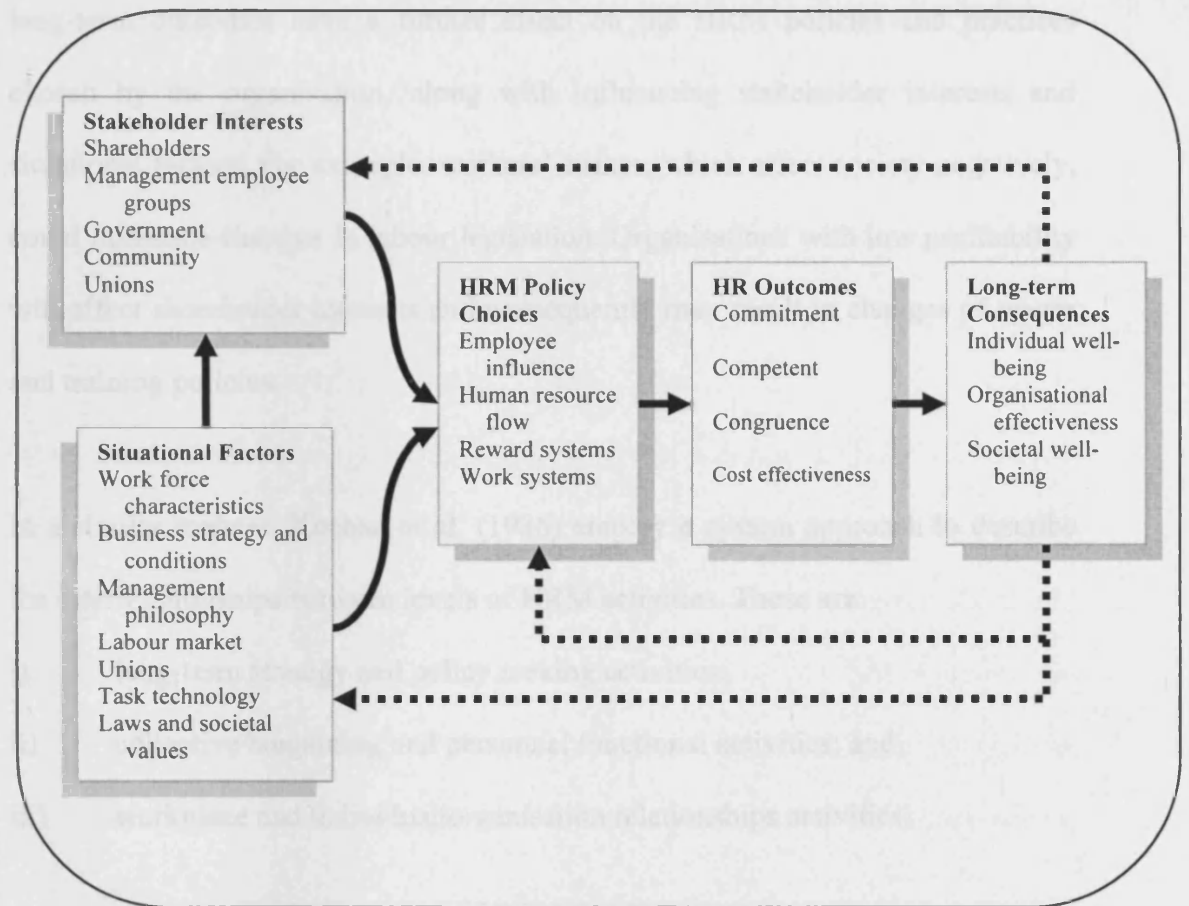
In summary, according to the strategic or contingency theory, organisations that implement best practice HRM consistent with the organisation's strategy will perform better. Therefore, the absence of this strategy would lead to sub-optimal performance.

### **2.2.2 Descriptive theories of HRM**

While the strategic theories of HRM focus on the relationship between various external factors and best practice HRM, the descriptive theories of HRM focus on a broad classification of the content of HRM practice and a range of outcomes. For example, the work of Beer et al. (1985) and Kochan et al. (1986) describe the broad areas of best practice HRM and their interrelationships with the outcomes. Beer et al. (1985) develop a model of HRM and propose that HRM policy choices are affected by two key elements: (i) situational factors, and (ii) stakeholders interests (see Figure 2.2).



Figure 2.2 Map of the HRM area



Source: Beer et al. (1985:17)

As shown in Figure 2.2, Beer et al. (1985) argue that the stakeholder interests and the situational factors influence HRM policies and consequently affect a number of intermediate organisational outcomes and long-term outcomes. At the conceptual level, Beer et al. (1985) argue that the development of worker-centred HRM policies and practices will result in enhanced worker competence, commitment, congruence, and cost effectiveness. These four main organisational outcomes are referred to as the four Cs.

It is further proposed that efforts of the organisation to enhance the four Cs will result in long-term well-being of the organisation, society and workers. These long-term outcomes have a further effect on the HRM policies and practices chosen by the organisation, along with influencing stakeholder interests and situational factors. For example, workers' strikes, which affect society negatively, could influence changes in labour legislation. Organisations with low profitability will affect shareholder interests and consequently may result in changes of wages and training policies.

In a similar manner, Kochan et al. (1986) employ a system approach to describe the interrelationships between levels of HRM activities. These are:

- i) long-term strategy and policy making activities;
- ii) collective bargaining and personnel functional activities; and
- iii) workplace and individual/organisation relationships activities.

Between these three levels, performance outcomes are determined mainly at the second levels of HRM activities due to the engagement of management and workers in joint discussions on the terms and conditions of employment. For example, managers who apply a 'speak-up' programme in which workers are thought to submit written queries or comments to senior managers on an anonymous basis have been found to lead to improved performance (e.g. Appelbaum et al. 2000; Kessler et al. 2004) and workers' gain/profit sharing programme has been linked to higher performance (Wood and deMenezes 1998; Godard 2001; Bae et al. 2003).

Kochan et al.'s (1986) theoretical framework predicts that best practice HRM and organisational performance are influenced by:

- i) the external environmental factors such as labour markets, worker characteristics and values, product markets, technology and public policies; and
- ii) organisational responses, such as the organisation's business strategies, values, history and current structures.

Although the frameworks of Beer et al. (1985) and Kochan et al. (1986) have an element of reality as they adapt an open systems approach, they are nonetheless non-specific, simply mapping the areas and categorising best practice HRM and performance outcomes. As such, these broad classifications of HRM choices mean that the descriptive models are non-prescriptive, in that they have no obvious foundation to test the relationship between HRM policy and performance (Guest 1997).

### **2.2.3 Normative theories of HRM**

The normative theories are reported to be more prescriptive than the strategic and descriptive theories, in that there is adequate empirical evidence to provide foundations to specify best practice HRM which can be considered as being universally applicable (e.g. Walton 1985 and Pfeffer 1994). Walton (1985) examines two different types of HRM systems to manage people in the organisation, namely the control and commitment systems. According to Walton (1985), under control systems, organisations expect to establish order, exercise

control, implement top-down management structure and achieve efficiency in the application of the workers. In addition, workers have little voice unless they are unionised. On the other hand, under commitment systems, organisations expect to design broader jobs, combine planning and implementation, and upgrade daily operations instead of just maintain them. Workers are also expected to work as teams in flat organisational structures with minimum status difference. Further, Pfeffer's (1994) work has drawn a lot of attention when he proposed a list of thirteen *universalistic* best practices in HRM, which emerged from wide-ranging review of both popular and empirical literatures. Later on, Pfeffer amended the list to seven practices (Pfeffer 1998). Instead of matching the best practice HRM with business strategies to enhance organisational performance (i.e. the strategic theories), or develop the broad areas of HRM policies and practices (i.e. the descriptive theories), Pfeffer (1994; 1998) proposed a set of 'best' practice HRM. This best practice model draws on the resource-based theory of competitive advantage that focuses on the role of internal resources. Pfeffer (1994) said that organisations wishing to succeed in today's global business environment must take appropriate human resource investment to acquire and build workers who possess better skills and capabilities than their competitors. As for a resource to be a source of competitive advantage, it must be rare, valuable, inimitable, and non-substitutable (Pfeffer 1994; Barney 1995; Delery 1998). In other words, 'best' practice HRM can lead to competitive advantage through developing *unique* and *valuable* human resources.

Pfeffer (1998) also said that the best practice model should be viewed as a collection of best practice HRM rather than individual practices. These practices are thought to influence organisational performance regardless of their context. Pfeffer termed this concept as the universalistic perspective.

The idea of Pfeffer was then applied in Guest's (1997) work. Guest (1997) presents the idea within a framework and specified relationships between best practice HRM and organisational performance. The principal hypothesis is that when a set of best practice HRM is implemented to achieve the normative goals of high commitment, super quality, and flexibility to the organisation, then superior worker performance will result. The hypothesis implies that the relevance of best practice HRM will present a positive impact on organisational performance.

The studies of Walton (1985), Pfeffer (1994; 1998) and Guest (1997) as mentioned earlier, have found some empirical support by other scholars (e.g. MacDuffie 1995; Delery and Doty 1996; Ramsay et al. 2000; Fey et al. 2000; Gould-Williams 2003; Bartel 2004). These studies suggest that an identifiable set of best practice HRM have universal, additive and positive effects on performance. This concept relates to the fact that the more best practices that the organisation employs, each will add to the previous thus, compounding the resulting superior performance outcomes of the organisation. Thus, the normative theories propose that organisations with a specific set of best practice HRM, regardless of size, industry or business strategy, should always achieve superior performance outcomes.

The studies also suggest that there are three important elements by which universal best practice HRM impact organisational performance. These are:

- i) human capital base, or collection of human resources (skills, knowledge, potential), which the organisation has to work with in the recruitment, selection, training, and development processes;
- ii) motivation, which is affected by a variety of human resource processes including recognition, reward, and work systems; and
- iii) opportunity to contribute, which is affected by job design, and involvement/empowerment strategies (Bamberger and Meshoulam, 2000; Hughes, 2002).

A further explanation of the elements is provided in Chapter 3.

The normative theories are considered as the most extensively tested and strongly supported theories of HRM when compare with strategic and descriptive theories of HRM. Normative theories are also referred to as universalistic perspective and strategic theories as contingency perspective (Delery and Doty 1996). When a comparison is made between universalistic and contingency perspectives, Delery and Doty (1996) argue that there is empirical evidence that both perspectives are complementary, even if those theories may be regarded as distinct. For instance, the empirical study of Wright et al. (1995) reported that the impact of best practice HRM on organisational performance is even greater when the ideal set of best practice HRM fit with organisational strategy.

Furthermore, Boxall and Purcell (2003) argue that both perspectives are important to organisational effectiveness in their own way. For example, certain basic practices such as selection and recruitment, worker development, worker involvement and high rewards, are universally successful, but the actual design of the best practice HRM are heavily influenced by unique organisational contexts. The internal context (e.g. assembly line) might create restrictions with respect to the successful design of certain HR practices (e.g. teamwork) but the external context (e.g. trade union influence) might have a direct impact on the optimal HRM design. Thus, universalistic best practices and contingency best-fit practices are complementary and both are relevant in exploring the linkage between HRM and performance (Boxall and Purcell 2003). The question here is whether the external context will affect the universal application of best practice HRM in Malaysia as it does in the UK.

Although the universalistic best practice HRM have been prescribed in the literatures however, the prescriptions are still limited in several ways (Guest 1997; Marchington and Grugulis 2000; Truss 2001). For instance, normative theories concentrate mainly on the internal HRM features rather than the broader strategic issues (Guest 1997). However, as the world of business changes rapidly, organisations should also make changes to their business strategies from time to time and use a different set of best practice HRM to meet global market needs (Truss 2001). Organisations will have a problem if they just involve one best way of best practice HRM and pay no attention to the various demands and consequent of business strategy (Marchington and Grugulis 2000). Thus, the idea of best

practices is not universally applicable because organisations are dynamic, complex and work in multiple product markets, which in reality are not static (Marchington and Grugulis 2000).

Another limitation of best HR practices is that even if the same concept is used, the underlying meaning of the practice can be different. For example, Wood and Albanese (1995) define employment security as: (i) a policy of no compulsory redundancy; (ii) the use of temporary workers primarily to protect the workforce; (iii) an expectation on the part of senior managers that new workers will stay with the organisation until retirement. Delery and Doty (1996) reach a similar definition as Wood and Albanese's (1995) but they add in another statement: *It is very difficult to dismiss a worker in this job.*

The statement, as Marchington and Grugulis (2000) state may have more relevant with managing poor performance than employment security. Beside that, Pfeffer (1998) emphasizes on employment security in his best practice list, ignores a measure of worker voice through worker involvement and self-managed teams' practices. In contrast, Wood and deMenezes (1998) and Delaney and Huselid (1996) omit to include employment security from their best practice list but instead emphasize worker voice in their specific set of best practice HRM. This leads to the question, how can the universalistic perspective advocated by Pfeffer (1994) compare findings of various studies when different meanings are used? As Marchington and Grugulis (2000:1104) state, "*...the best practice conclusions may be attractive but the jury is still out...*". Considering that a specific set of best



practice HRM may always enhance organisational performance, the question now is what are the practices that constitute best practice HRM?

There is little consensus on the content or number of practices that should comprise the best HRM practice model (Becker and Gerhart 1996; Marchington and Grugulis 2000; Guest 2001; Morgan 2001; Batt 2002; Boselie et al. 2005). For example, Boselie et al. (2005) review the variety of different best practice HRM applied in 104 published articles and found not one fixed list of general applicable best practice HRM that define HRM. They noted that the most often mentioned high performance work practices are: (i) training and development, (ii) contingent pay and reward schemes, (iii) performance management and appraisal, and (iv) careful recruitment and selection.

Both Morgan (2001) and Batt (2002) reach a similar conclusion. Morgan (2001) found that best practice HRM critical to economic sustainability are: (i) employment security, (ii) selective hiring of new personnel, (iii) self-managed teams and decentralisation of decision-making, (iv) high compensation, (v) extensive training and development, (vi) continuous improvement HR programmes, (vii) reduced status distinctions and barriers, (viii) sharing of financial and performance information, (ix) trust between management and workers at all level organisational levels, (x) communication in global markets, and (xi) efficient and effective use of new information technologies.

Batt (2002) reports a far more concise list in which high involvement work systems include:

*..relatively high skill requirements; work designed so that employees have discretion and opportunity to use their skills in collaboration with other workers; and an incentive structure that enhances motivation and commitment.. (Batt 2002: 587).*

Prior to that, Becker and Gerhart (1996) point out that of the 27 HRM practices included in five major studies of HRM-Performance relationships (i.e. Cutcher-Gershenfeld 1991; Arthur 1994; Kochan and Osterman 1994; Huselid 1995 and MacDuffie 1995), not a single practice is common to all five studies. However, there are two practices namely self-directed work teams and problem solving groups/quality circles, on which four studies agree; and two more practices (i.e. contingent pay and hours training per year after initial training) on which three studies agree. The summary of best practice HRM used in prior empirical studies is shown in Table 2.1. The table illustrates that the operationalisation of best practice HRM varies widely in different studies.

Therefore, the universalistic theorists such as Pfeffer (1994) and Huselid (1995) suggest some fundamental assumptions of the theory:

- i) There appears a linear relationship between best practice HRM and organisational performance, expressed by zero interactions between the variables that predict organisational performance. Meaning that, no products of any best practice HRM appear among the explanatory variables.

- ii) The best practice HRM are universally applicable.
- iii) The main concept of normative or universalistic theories is internal fit.

In summary, according to the normative or universalistic theory, organisations that implement a set of best practice HRM will always achieve superior performance regardless of size, industry or business strategy.

The previous sections have explained some of the general-level theories of HRM that may help to understand the relationship between best practice HRM and organisational performance, the next section will now review the findings of empirical works that applied those theories. Much of these have been reported in a range of special issues of international academic journals such as the *International Journal of Human Resource Management*, *Human Resource Management Journal* and the *Academy of Management Journal*. It appears that these empirical findings propose the added value of HRM interventions.

## **2.3 Empirical evidence that support the universalistic or/and contingency perspective to HRM**

### **2.3.1 Prior empirical studies**

The following empirical findings are presented chronologically and indicate some support for the universalistic and/or contingency perspectives of HRM. A detailed list of the best practice HRM used in each study is provided in Table 2.1. This

table also provides a summary of performance indicators, methods and whether the evidence supports the universal and/or contingency perspectives.

In 1994, Arthur studied the effects of HR systems on manufacturing performance and turnover. He collected cross-sectional data from 29 US steel minimills employing 460 workers on average. Ten HR practices were used to measure a range of aspects of the mill's workplace HR system and labour efficiency (i.e. labour hours to produce one tonne of product), scrap rate (i.e. number of tonnes of raw steel melted to produce one tonne of product), and labour turnover were used to measure performance. Results showed that the mills with commitment HR systems had higher productivity, lower scrap rates, and lower worker turnover as compared to those with control HR systems. Specifically, higher rewards, decentralisation of authority and more investment in training resulted in a lower degree of labour turnover.

MacDuffie (1995) used a unique cross-sectional data set from 62 international automotive assembly plants to examine whether there is a positive relationship between innovative HRM practices and economic performance of the plants. Using labour productivity and quality as economic performance measures, he found that innovative HRM practices had a significant positive relationship with economic performance. He also found that innovative HRM practices affected performance as an interrelated group of practices rather than individual practices. Furthermore, innovative HRM practices positively contributed most to assembly plant productivity and quality when they were integrated with manufacturing

policies under the organisational logic of flexible production systems (i.e. the organisation's business strategy). As such, his results support both the universalistic and contingency perspectives.

Likewise, Huselid (1995) supports both the universalistic and contingency perspectives. He collected multi-sector cross-sectional data from 968 US owned organisations employing more than 100 workers to test the impact of thirteen HRM practices on turnover, productivity and corporate financial performance. He reported that worker skills and organisational structure (i.e. recruitment and selection) had a significant negative impact on turnover. In relation to productivity and corporate financial performance, both the worker skills and organisational structure and worker motivation had positive effects on sales per worker and Tobin's q (i.e. a market-based measure *calculated by dividing the market value of an organisation by the replacement cost of its assets* (Huselid 1995: 652)).

Concerning the convincing argument that better internal and external fit will increase organisational performance, Huselid (1995) found moderate evidence of such an effect for internal fit and little evidence for external fit. Thus, the whole study concluded that the results were consistent across diverse measures of corporate financial performance, with an investment in high performance practices being related to lower worker turnover, higher productivity and greater corporate financial performance. In addition, empirical support for the argument that high performance work practices is contingent on an organisation's competitive strategy was limited.

Using cross-sectional data from 1,050 US banking organisations, Delery and Doty (1996) analysed the relationships between HRM practices and organisational performance from the universalistic, contingency and configurational perspectives. Seven practices were identified to measure HRM practices. These included internal career opportunities, training, results-oriented appraisals, profit sharing, employment security, participation and job description. The return on average and return on equity were used to measure organisational performance. Results revealed that HRM practices had significant positive relationships with organisational performance. Specifically, three HRM practices namely participation, results-oriented appraisals and internal career opportunities had significant positive relationships on both ROA and ROE. Moreover, the study found no significant positive relationships between the ideal-type employment systems, organisational strategy and organisational performance. As such, Delery and Doty (1996) concluded that the study had strong support for the universalistic perspective and suggested some support for both contingency and configurational perspectives.

Youndt et al. (1996) obtained longitudinal data from 97 US manufacturing organisations to study the relationship between HRM practices, manufacturing strategy and organisational performance from the universalistic and contingency perspectives. Results reported that the human capital enhancing HR system had a significant positive relationship on customer alignment, equipment efficiency and worker productivity. Youndt et al. (1996) also reported that the manufacturing strategy and HRM systems as a set had a significant effect on customer alignment,

equipment efficiency and worker productivity. Although both universalistic and contingency perspectives had significant effects on organisational performance, findings showed that the contingency perspective had more support. Thus, they suggested that the main effect of human capital enhancing HR on organisational performance was predominantly a function of the performance enhancements gained when organisations associate human capital enhancing HR systems with a quality manufacturing strategy.

Ichniowski et al. (1997) employed unique longitudinal data set from 36 steel production lines, owned by 17 different companies in the US to examine whether or not a set of innovative HRM practices increase productivity. They compared the results of a set of HRM practices with individual HRM practices. They divided the HRM practices into four different HRM systems, ranging from traditional HRM systems (HRM System 4) to innovative HRM systems (HRM System 1):

- The most traditional HRM system or HRM System 4 had the following characteristics: no 'innovative' HR, close supervision, strict work rules and narrow job responsibilities, incentive pay on quantity of output, no teamwork, no information sharing, no screening, and no training.
- HRM System 3 is similar to HRM System 4, but had innovative practices through worker participation in teams and improved labour-management communication and information sharing.
- HRM System 2 is similar to HRM System 3, but included extensive skills training and high levels of worker involvement in teams.

- The most innovative HRM system or HRM System 1 contained innovative HRM practices in all HRM policy areas.

Ichniowski et al. (1997) found that innovative HRM practices had significant positive associations with productivity and product quality. There were varying productivity levels amongst the four HRM systems, with HRM System 1 achieving the highest productivity level, followed by HRM systems 2, 3 and 4. Concerning the product quality, results revealed that the more innovative HRM practices, the better the quality of steel produced on line. The results also found that individual HRM practices had little or no effect on productivity and quality. Therefore, Ichniowski et al. (1997) suggested that in supports universalistic perspective on HRM, innovative HRM practices significantly have greater effects on workers' performance.

While many studies have been undertaken in the US, Wood and deMenezes (1998) tested the relationship between high commitment practices and organisational performance in the UK. They used data from both the 1990 UK Workplace Industrial Relations Survey and the Employers' Manpower and Skills Practices Survey. They identified four progressive styles of high commitment management (HCM) which were presented as below:

- Class 1 is characterised as the lowest HCM. It had low usage in four of seven high commitment practices, namely direct communication, appraisal, no clocking in, and monthly pay. However, it had high relative usage of having skill formation and cashless pay or information disclosure.



- Class 2 is characterised as low-medium HCM. It had low usage of appraisal, no clocking in and monthly pay. Nevertheless, it had high relative usage of skill formation, direct communication, cashless pay and information disclosure.
- Class 3 is characterised as a progression on the Class 2. It had high relative usage of almost all practices, except appraisal and no clocking in.
- Class 4 is characterised as the highest HCM. It had a very high relative usage of all practices except for no clocking in.

Using regression models, Wood and deMenezes (1998) reported that Class 1 did not perform better than the other three classes on any performance criteria. But, it did perform better than Class 2 and 3 on the level of employment growth and overall financial performance but was not better than Class 4. Furthermore, the results reported that Class 2 and Class 3 HCM had significantly lower absenteeism rates than the Class 4 HCM. The Class 3 had a significant greater labour productivity level than all other classes. Finally, the level of labour productivity, turnover rate and worker relations climate did not significantly differ between the four classes. Thus, in general, they suggested that there was an identifiable pattern to the use of high commitment practices. Although organisations with high commitment management in its whole did not perform better on any performance indicator than all others, but they did perform better in terms of financial performance and employment growth. The study supports universalistic perspective.

Harel and Tzafir (1999) used cross-sectional data from 215 Israel public and private organisations to test whether the six HRM practices effected perceived organisational performance and market performance. These practices were recruitment, selection, internal labor market, participation, compensation and training. They found that training, intensive compensation, worker participation, and internal labour market for recruitment, and worker mobility had significantly greater effects on perceived organisational performance. Selection, training and compensation had a significant positive relationship with market performance. Moreover, training was the only indicator that had a positive and significant impact on the perceptions of organisational performance. Evaluating the perceptions of market performance, both training and selection practices had a significant impact. Harel and Tzafir (1999) proposed that they were able to identify and support the universal best practice model.

Fey et al. (2000) studied the link between HRM practices and organisational performance in 101 foreign-owned organisations operating in Russia for at least three years. Using factor analysis, the study classified three factors of HRM managerial employee practices. These were:

- a. *management development*, which comprised of technical training, non-technical training, non-entry level jobs from within the firm, assistance provided for career planning and job security;
- b. *feedback systems*, which comprised of information sharing programmes, complaint resolution system and attitude surveys; and

- c. *pay systems*, which comprised of performance appraisals, group/company performance in pay, teamwork, decentralised decision making and interdepartmental communication.

The results revealed that HRM practices have positive and significant effects for managers and non-managerial workers on organisational performance. From managers' perceptions, there were significant effects between management development, feedback systems, and HRM-strategy alignment and performance. No significant effects were reported between pay systems and performance. As regards to non-managerial workers, they reported that both management development and pay systems had positive significant effects on performance. But, feedback systems or HRM-strategy alignment had no significant effects on performance. Thus, the study argue that their evidence provides convincing support of a positive link between HRM practices and organisational performance.

Using cross-sectional data from 138 MNCs subsidiaries and local organisations operating in Korea, Bae and Lawler (2000) examined the links between several aspects of organisational strategy, HRM strategy, and organisational performance. They found that organisations with a management that strongly valued HRM and people as a competitive advantage source had more likely to use high involvement HRM strategies. However, organisations with differentiation strategies and emphasized higher speed in organisation activities and services for their customers were not likely to use high involvement HRM strategies. Bae and Lawler (2000) also found a significant positive relationship between differentiation strategies and

organisational performance. Nevertheless, the speed of organisation activities and services for customers had no significant relationship with organisational performance. Moreover, Bae and Lawler (2000) found that the existence of a high involvement HRM strategy had a positive significant relationship on organisational performance. Therefore, the study strongly supports the universalistic perspective.

From the 1998 Workplace Worker Relations Survey which contained of data from both management and workers across small and large organisations, Ramsay et al. (2000) tested whether various high performance work system (HPWS) practices have different effects on both organisational and worker performance. They used both financial indicators and worker performance indicators such as commitment, job stress, management relations, and pay satisfaction measures of performance. They found that HPWS had significantly increased labour productivity, financial performance, product/service quality and had significantly reduced turnover rate.

Appelbaum et al. (2000) examined the effects of high performance work systems (HPWSs) on worker outcomes. They collected cross-sectional data from 4000 US workers in three manufacturing sectors namely, steel, clothing and medical products. The practices they focused on were autonomy in decision making, self-directed and off-line team membership, communication, training and development, and financial incentives for motivation. The worker outcome measures were trust, intrinsic rewards, organisational commitment, job satisfaction and stress. Appelbaum et al. (2000) found that the HPWSs had a significant positive effect on

trust, rewards, commitment and job satisfaction and had a significant negative effect on stress. Both trust and rewards had a strong significant positive relationship with organisational commitment and job satisfaction. Thus, Appelbaum et al. (2000) proposed that trust and rewards mediate the effects of HPWSs on organisational commitment and job satisfaction. The study supports a positive HPWS-worker outcomes relationship.

Godard (2001) collected cross-sectional data from 508 employed Canadians to examine the implications of alternative work practices (AWPs) on workers' experience and outcomes. Using regression analyses, he presented the results according to: (i) the effects of AWP involvement; (ii) the effects of alternative forms of work organisation; and (iii) the effects of individual AWP. In relation to the effects of AWP involvement, he reported that AWP had positive significant effects on workers' experience and outcomes (i.e. belongingness, empowerment, task involvement, job satisfaction, esteem, commitment, motivation, citizenship behaviour and stress) and a negative effect of workload and fatigue. In relation to the effects of alternative forms of work organisation, the results showed that both team (i.e. characterised as autonomous teams and no JIT) and post-lean (i.e. characterised as autonomous team and JIT) forms of work organisation had moderate positive relationships with belongingness, empowerment and citizenship behaviour. Also, teamworking had a significant positive relationship with motivation.

Finally, as regards to the effects of individual AWP, team-based work appeared to have strong and statistically significant positive relationship with belongingness, task involvement, empowerment, job satisfaction, esteem, commitment, and citizenship behaviour; and negative relationships with stressfulness and fatigue. Therefore, the study had showed that there were relationships between AWP and workers' experience and outcomes.

Michie and Sheehan-Quinn (2001) studied the relationship between HRM practices, HRM systems and financial and industrial relations performance on 361 samples from UK manufacturing and service sector organisations. Using Ichniowski's et al. (1997) systems of HRM, they classified the individual HRM practices into four HRM Systems which ranked from 'traditional' (HRM System 4) to 'most innovative' (HRM System 1). They reported that HRM Systems 1 and 2 and internal flexibility had significant positive effects on financial performance. External flexibility positively correlated with financial performance but this relationship was weakened when interacted with HRM practices.

Bjorkman and Xiucheng (2002) gathered cross-sectional data from 62 manufacturing Chinese-Western joint ventures and wholly owned subsidiaries located in different parts of the People's Republic of China. The purpose of the study was to test the relationship between HRM practices and organisational performance. Bjorkman and Xiucheng (2002) employed Becker and Huselid's (1998) HRM practices measures which include HR planning, internal recruitment, training, communication, grievance procedure, performance appraisal, and

compensation. Using organisation's profitability and overall performance, Bjorkman and Xiucheng (2002) found that high performance HRM system had a strong significant positive relationship with organisational performance. Furthermore, results showed that there was a highly positive relationship between the extent to which the organisation integrates HRM and strategy, and organisational performance. Thus, the study supports both universalistic and contingency perspectives.

Wright et al. (2003) employed cross-sectional data from 50 US and Canada in private food service organisations to assess the impact of nine HRM practices on the organisational performance. There were selection and staffing, training, pay for performance and participation. They found that HRM practices were strongly associated with quality, workers' compensation, shrinkage, operating expenses and organisational profitability, but were not associated with productivity.

Ahmad and Schroeder (2003) tested the impact of seven HRM practices proposed by Pfeffer, on operational performance in 107 manufacturing plants across three industries (i.e. electronic, machinery and automobile) and four countries (i.e. Germany, Italy, Japan and the US). They found that selective hiring, use of teams and decentralisation, compensation/incentive contingent on performance, extensive training, and sharing information had positive significant impacts on operational performance. As anticipated, both employment insecurity and status difference had negative significant impacts on operational performance.

Ahmad and Schroeder (2003) suggested that employment insecurity and status difference appeared to reduce the potential effects of HRM practices as a whole. Their results also reported that different industries and/or countries implemented HRM practices differently. However, by controlling for country and industry in the analyses, Ahmad and Schroeder (2003) were able to confirm empirically that HRM practices enhanced operational performance regardless of the country and industry. Therefore, the study supports Pfeffer's seven HRM practices and consequently the universalistic perspective of HRM.

Bae et al. (2003) gathered cross-sectional data from 680 MNCs subsidiaries and local organisations operating in Korea, Taiwan, Singapore and Thailand to test the impact of high performance work system (HPWS) practices on organisational performance. The HPWS practices were extensive selection, training procedures, high job security, job design, employee autonomy, pay for performance, gain sharing, profit sharing, employee involvement and autonomy. They found that HPWS practices had a positive significant impact on perceived financial performance across all the countries. Bae et al. (2003) also found that the implementation of HPWS practices in local organisations had better perceived financial performance than when implemented in MNC subsidiaries.

Paul and Anantharaman (2003) collected cross-sectional data from 34 Indian software organisations to examine whether nine HRM practices had an effect on organisational performance. They specifically developed and examined a causal model linking HRM with organisational performance through intervening



variables namely, worker competence, teamwork, organisational commitment and customer orientation. The HRM practices were selection, induction, training, team job design, work environment, performance appraisal, compensation, career development and employee ownership. Results reported that no single HRM practice had directly affected financial performance. However, HRM practices had affected financial performance indirectly through intervening variables. For examples, selection explained 25.6 per cent of variation in employee competence; performance and compensation explained 42.5 per cent of variation in organisational commitment. Apart from the financial performance, results also found that training, job design, compensation and incentives had directly affected operational performance.

Rodriguez and Ventura (2003) employed 120 Spanish manufacturing organisations to test whether HRM practices enhanced performance, or whether the practices were contingent on the organisation's competitive strategy. The HRM practices were divided into two groups: (i) developmental practices that referred to staffing, performance appraisal and training; and (ii) compensation practices that referred to the organisation's compensation system. Rodriguez and Ventura (2003) found that both development and compensation practices had a significant positive effect on worker turnover and overall organisational performance. Nevertheless, the compensation practices had a significant negative effect on the organisation's productivity. The universalistic hypothesis received more support than the contingency perspective. Therefore, the study provides empirical support for the universalistic perspective.

Park et al. (2003) studied the effect of HRM practices and organisational performance and the processes through which these practices affect worker outcomes. Data were collected from 54 Japanese multinational corporation subsidiaries which operating in the US and Russia. The HRM practices were comprised of three aspects: (i) performance-oriented practices; (ii) strategic alignment of practices; and (iii) employee-skills-enhancing practices. Results found that worker skills, attitudes (e.g. job satisfaction and commitment) and motivation had a significant positive relationship on organisational performance. Results also found that a bundle of HRM practices had a significant positive effect on organisational performance for both US and Russia. Therefore, the study suggested that the HRM practices led to enhanced worker skills, attitudes and motivation, which subsequently was found to positively effect organisational performance, regardless of country. This study supports the universalistic perspective.

Guest et al. (2003) used both cross-sectional and longitudinal data from 366 UK organisations to test the relationship between the nine HRM practices and corporate performance. The practices were recruitment and selection, training and development, appraisal, financial flexibility, job design, two-way communication, employment security and internal labour market, single status and harmonization, and quality. The corporate performance measures were divided into two groups. These were objective performance (i.e. labour productivity and organisational profitability) and subjective performance (i.e. based on the interview data provided by HR managers concerning employment relations items such as labour turnover

and absence). Using objective performance, Guest et al. (2003) showed that HRM practices had significant relationships with lower labour turnover and higher profitability, but the practices had no significant relationship with labour productivity. However, Guest et al. (2003) found that HRM practices had significant relationships with *subjective* measures of productivity and profitability. Therefore, the study's hypothesis which proposed that there would be similar results when using both objective and subjective performance was rejected. Nevertheless, the study supports a strong relationship between HRM practices and corporate performance.

In UK local government, Gould-Williams (2003) studied 191 workers from eight service departments to test the impact on bundles of HRM practices on worker outcomes and perceived organisational performance. He found that systems trust had a significant predictive effect on job satisfaction and commitment. HRM practices had a significant positive effect on organisational trust, interpersonal trust, commitment, job satisfaction, worker effort and organisational performance but no significant effect on workers' intention to remain. Gould-Williams (2003) also found that systems trust, commitment, HRM practices and interpersonal trust had a significant predictive effect on perceived organisational performance. He concluded that the bundles of HRM practices and trust were important elements influencing and leading to superior organisational performance. This study supports the universalistic perspective.

In Holland, DenHartog and Verburg (2004) used cross-sectional data from 175 Dutch organisations in various sectors such as production, foundations and government, healthcare and financial services. They examined the relationship between high performance work systems (HPWS), organisational culture and organisational performance. The results reported that HPWS had a positive significant impact on workers' willingness to go beyond contract, perceived economic outcomes, and absenteeism but, had a negative significant impact on turnover. They also found that HPWS had significant positive relationships with goal, innovative and support orientation of organisational culture.

Bartel (2004) assessed the relationship between HPWS practices and organisational performance on a longitudinal dataset from 160 Canadian bank branches which contained of 330 observations. Three dimensions of HPWS practices were used as measures of HRM. These included high skills, communications, and effective incentives. Bartel (2004) revealed that the incentives dimension of a HPWS had positive statistically significant effects on branch performance as measured by sales of loans. Communications between the manager and the staff and among staff members also had positive significant effects on branch performance. Bartel (2004) added that the HPWS practices remained statistically significant even when manager dummy variables were included in the regression analyses. This means that the results were not due to unobserved personality characteristics of specific managers. Thus, Bartel (2004) concluded that branch-level performance in the banking industry can be affected by specific HRM practices. The study supports the universalistic perspective.

Guerrero and Barraud-Didier (2004) collected data from 180 French industrial and services organisations to examine the relationship between HRM practices and performance. Profitability was used to measure financial performance. Social performance was work climate, employee attendance, quality of products and services and employee productivity. HRM practices were empowerment, compensation, communication and training. Results reported that an individual HRM practices were statistically significant associated with financial performance, mediated by social performance. However, compensation had no statistically significant effect on performance. Results also found strong support of a relationship between HRM practices as a bundle and performance. Thus, the study supports the universalistic perspective.

Tzafrir (2005) obtained a cross-sectional data from 104 Israeli public and private leading organisations. The purpose of the study was to test the relationship between trust, HRM practices and organisational performance. The HRM practices were compensation, participation, internal labour market and training. Results revealed that trust had a significant positive relationship with HRM practices. Organisations that showed high managerial trust in workers, offered more incentive compensation, encouraged workers to participate in decision making, used the internal labour market for recruitment and invested more in training demonstrated significantly higher organisational performance. Tzafrir (2005) also found that these results had a strong significant positive relationship with perceived organisational performance thus, supports the universalistic perspective.

Michie and Sheehan-Quinn (2005) gathered cross-sectional data from 1,000 UK manufacturing and service sector organisations to test the relationship between eight HRM practices and organisational performance from the universalistic, contingency and configurational perspective. The HRM practices were recruitment and selection, internal career opportunities, training, formal appraisals, performance-based pay, employment security, employee participation and consultation and job design. Their results found that both individual and combined HRM practices had a positive and significant effect on organisational performance. These results supports the universalistic perspective.

Furthermore, the relationship between HRM practices and organisational performance was strongly dependent upon business strategy thus, supports the contingency perspective. Results also found that the high-HR innovators/quality-enhancers had a positive significant relationship with the approach taken to HRM practices and to business strategy. In other words, organisations that practised an integrated approach to HRM, coupled with an innovators/quality-enhancers focus performed best. Therefore, the study also supports the configurational perspectives.

Tessema and Soeters (2006) collected a cross-sectional data from 313 civil servants in Eritrean, Africa, to test the relationship between eight HRM practices and performance at worker level. These practices were recruitment and selection, placement, training, compensation, performance evaluation, promotion, grievance procedures and pension programme. The measures of HRM outcomes were

worker's competence, satisfaction/motivation, clarity of role, and intention to leave. Results showed that recruitment and selection, training, compensation, grievance procedures and pension programme had a statistically significant positive relationship with HRM outcomes which subsequently affect organisational performance. Tessema and Soeters (2006) suggested that the HRM practices enhanced the civil servants' competence, satisfaction with the existing HRM practices, role clarity in their job and intention to leave the organisation.

Finally, Sels et al. (2006) used a cross-sectional data set from 416 business managers of Belgian small business organisations to examine the relationship between high performance work practices and organisational performance. These practices were selection, training, careers, appraisal, compensation and participation. Voluntary turnover, labour productivity and profitability were used as performance measures. Sels et al. (2006) found that high performance work practices had a significant positive relationship with labour productivity, profitability and a significant negative relationship with voluntary turnover. The study supports universalistic perspective.

### **2.3.2 Summary and limitations of prior studies**

Based on the empirical studies presented in this chapter, three quarters of the studies supported the universalistic perspective of HRM (i.e. 80 per cent), with a fourth supporting both the universalistic and contingency perspectives. Two studies (7 per cent) found support for all three HRM perspectives, namely the universalistic, contingency and configurational. In sum, the majority of

organisations appeared to achieve superior performance when they applied a specific set of HRM practices.

In relation to location, of the 30 studies, six (20 per cent) were conducted in both the USA and the UK, two each (7 per cent) in Canada and Israel, one each (3.3 per cent) in India, Spain, Netherlands, Russia, Korea, Africa, Belgium, France and Republic of China, and five (17 per cent) were conducted across countries (e.g. US, Canada, Russia, Germany, Italy, Japan, South Korea, Australia, Thailand and Singapore). This suggests that the majority of studies undertaken to the universalistic perspective are based on the USA and the UK samples. Very few studies have been conducted in developing countries and none has been carried out in Malaysia.

Furthermore, almost all empirical studies presented in this chapter were examined the best practice HRM and performance in a single country. Only five studies examined on cross-national countries. Therefore, based on theories and empirical findings provided, I predict that the implementation of best practice HRM will enhance organisational performance regardless of size, sector, country of origin or business strategy.

As regards to sector, more than three quarter of the evidence examined the HRM-performance link in private sector (76 per cent) and of these, the majority were from manufacturing industry. Only two (7 per cent) was conducted in the public sector and five (17 per cent) studied both private and public sectors.



Almost all studies (70 per cent) used financial/operational/marketing performance indicators as performance measures. Three studies (10 per cent) used worker outcomes and four (20 per cent) used both organisational and individual performance. In overall, previous studies suggest that there are strong significant relationships between HRM practices and superior performance however, majority of the results were relevant to profit organisations. The studies also limited the measure of performance at organisational level and failed to explain the process of how HRM practice and performance is being linked. The following tables summarise the prior empirical evidence from the HRM literature.

Table 2.1 A summary of empirical evidence on best practice HRM and performance

Author(s)	Year	Location	Sector	Best practice HRM (Independent variables)	Performance indicators (Dependent variables)	Methods	Findings
1 Arthur	1994	US	Steel	Decentralisation, participation, general training, skill, supervisor, social, due process, wages, benefits and bonus	Labour efficiency, scrap rate, and turnover	Cluster analysis, Regression analysis	Supports universalistic
2 MacDuffie	1995	16 countries including US, Japan and Australia	Automotive	Work teams, problem-solving groups (employee involvement or quality circle groups), employee suggestions, job rotation, decentralisation, recruitment and hiring, contingent compensation, status differentiation, training of new employees, and training of experienced employees	Labour productivity and quality	Factor analysis, Cluster analysis, Correlations analysis, Regression analysis	Supports universalistic and contingency
3 Huselid	1995	US	Multi-industry: private	Labour/management participation, performance appraisal, incentive compensation, job design, grievance procedures, information sharing, attitude assessment, recruiting intensity, training hours, promotion criteria (seniority vs. merit), personnel selection	Employee turnover, productivity, market-based performance (i.e. Tobin's q) and gross rate of return on capital (GRATE)	Regression analysis	Supports universalistic and partly contingency
4 Delery and Doty	1996	US	Banking	Internal career promotion, job descriptions, formal training, appraisals, profit-sharing, employment security, participation	Return on average asset (ROA) and return on equity (ROE)	Regression analysis	Strong supports to universalistic and some support to contingency and configurational

Table 2.1 (Continued)

Author(s)	Year	Location	Sector	Best practice HRM (Independent variables)	Performance indicators (Dependent variables)	Methods	Findings
5 Youndt, Snell, Dean and Lepak	1996	US	Manufacturing	Physical skills, policies and procedures training, result-based performance appraisal, individual equity, individual incentives, hourly pay, selective staffing, selection for technical and problem-solving skills, comprehensive training, training for technical and problem-solving skills, developmental and behaviour-based performance appraisal, external equity, group incentives, skill-based pay and salaried compensation.	Product quality, employee morale, on-time delivery, inventory management, employee productivity, equipment utilization, production lead time and scrap minimization	Cluster analysis, Regression analysis	Supports universalistic and contingency
6 Ichniowski, Shaw, and Prennushi	1997	US	Steel	Incentive pay, recruiting and selection, teamwork, flexible job assignment, employment security, communication, labour relations and training	Production-line uptime and the percent of tons produced that meet specific quality standards	Regression analysis	Supports universalistic
7 Wood and deMeneze	1998	UK	Multi-industry: private and public	Quality circles, team briefing, top management briefing, monthly pay, cashless pay, no clocking in, internal recruitment, multi-skilling, selection, team working, training needs analysis, appraisal, merit pay, profit-sharing, employee share options, welfare facilities/ fringe benefits and information sharing	Productivity, financial performance, job creation, employee relations climate, labour turnover and absenteeism	Latent variable analysis, Regression analysis	Supports universalistic

Table 2.1 (Continued)

	Author(s)	Year	Location	Sector	Best practice HRM (Independent variables)	Performance indicators (Dependent variables)	Methods	Findings
8	Harel and Tzafir	1999	Israel	Multi-industry: private and public	Recruitment, selection, incentive compensation, employee participation, internal labour market and training	Product/service quality, new product development, product price, sales, and profitability	Correlations analysis, Regression analysis	Supports universalistic
9	Fey, Bijorkman and Pavlovskaya	2000	Foreign- owned organisations operating in Russia	Multi-industry: private	Technical training, non-technical training, non-entry jobs filled from within firm, assisting in career planning, job security, information sharing programs, complaint resolution system, attitude surveys, performance appraisals, group/company performance in pay, teamwork, decentralized decision making, and interdepartmental communication	Market share, sales growth, quality of product or services and profitability	Factor analysis, Regression analyses	Supports universalistic
10	Bae and Lawler	2000	European- and Japanese subsidiaries and joint ventures, and local organisations operating in Korea	Multi-industry: private	Extensive training, empowerment, highly selective staffing, performance- based pay, and broad job design	Public image and goodwill, growth rate of sales or revenues, product or service quality, long- run profitability, financial strength, and employee productivity	Correlation analysis, Regression analyses	Supports universalistic
11	Ramsay, Scholarios and Harley	2000	UK	Multi-industry: private and public	Twenty four practices were used to examine the HPWS such as downward and upward communication, performance-related pay, profit sharing, internal labour market and job security	Financial performance, labour productivity, quality of product or service, absenteeism, turnover labour cost and work intensification, commitment, job discretion, job stress, management relations, pay satisfaction and job security	Factor analysis, Regression analyses	Supports universalistic

Table 2.1 (Continued)

	<b>Author(s)</b>	<b>Year</b>	<b>Location</b>	<b>Sector</b>	<b>Best practice HRM (Independent variables)</b>	<b>Performance indicators (Dependent variables)</b>	<b>Methods</b>	<b>Findings</b>
12	Appelbaum, Bailey, Berg and Kalleberg	2000	US	Steel, clothing and medical products	Autonomy in decision making, self- directed and off-line team membership, communication, training and development, and financial incentives for motivation	Trust, intrinsic rewards, organisational commitment, job satisfaction and stress	Regression analyses	Supports universalistic
13	Godard	2001	Canada	Multi-industry: private	JIT, re-engineering, quality management, job rotation, multi- skilling, teams, team autonomy, team responsibility, information sharing, quality circles, committee system, joint steering committee, profit sharing and group bonus	Belongingness, task involvement, empowerment, workload and stressfulness, fatigue, self-esteem, job satisfaction, commitment, motivation, and citizenship behaviour	Factor analysis, Regression analyses	Supports universalistic
14	Michie and Sheehan-Quinn	2001	UK	Manufacturing and service	Recruitment and selection, incentive pay and appraisal, training, teamwork, employment security, flexible job assignment and communication	Labour turnover and product	Regression analyses	Supports universalistic
15	Bjorkman and Xiucheng	2002	China	Manufacturing	HR planning, internal recruitment, training, communication, grievance procedure, performance appraisal, and compensation	Organisational profitability and overall performance	Regression analyses	Supports universalistic and contingency
16	Wright, Gardner and Moynihan	2003	US and Canada	Food service	Selection, promotion, recruitment, training, formal performance appraisal, pay-for-performance, individual bonuses, formal participation processes, and fair complaint process	Workers' compensation, quality, shrinkage, productivity, operating expenses, and profitability	Correlations analysis	Supports universalistic

Table 2.1 (Continued)

	Author(s)	Year	Location	Sector	Best practice HRM (Independent variables)	Performance indicators (Dependent variables)	Methods	Findings
17	Ahmad and Schroeder	2003	US, German, Italy and Japan	Manufacturing, Electronic, Machinery and Automobile	Employment insecurity, selective hiring, use of teams and decentralisation, compensation/incentive contingent on performance, extensive training, status differences and sharing information	Unit cost of manufacturing, quality of product, on-time delivery performance, flexibility to change volume, and speed of new product introduction	Correlations analysis, Regression analyses	Supports universalistic
18	Bae, Chen, Wan, Lawler and Walumbwa	2003	US, Japan, Europe, South Korea, Thailand, Taiwan and Singapore	MNCs	Extensive selection, training procedures, high job security, job design, employee autonomy, pay for performance, gain sharing, profit sharing, employee involvement and autonomy	Perceived financial strength, profitability, growth rate and market share	Correlations analysis, Regression analyses	Supports universalistic
19	Paul and Anantharaman	2003	India	Software	Selection, induction, training, job design, work environment, performance appraisal, compensation, career development and incentives	Employee retention, employee productivity, product quality, speed of delivery, operating cost, growth in sales, net profit and return on investment performance	Factor analysis, Cluster analysis, Correlations analysis, Regression analyses	Supports universalistic
20	Rodriguez and Ventura	2003	Spain	Manufacturing	Promotion from within, selection, job security, results/behaviour appraisal, information gathered for development, job emphasis, performance emphasis, external equity, long-term orientation, pay level, egalitarian orientation, high incentives, emphasis on training, emphasis on long-term development and socialisation	Turnover, labour productivity and overall firm performance	Regression analyses	Supports universalistic

Table 2.1 (Continued)

	Author(s)	Year	Location	Sector	Best practice HRM (Independent variables)	Performance indicators (Dependent variables)	Methods	Findings
21	Park, Mitsuhashi, Fey and Bjorkman	2003	US and Russia	Multinational companies	Performance-oriented practices, strategic alignment of practices and employee-skills-enhancing practices	Profitability, operating efficiency, quality, service, employee skill, job satisfaction, commitment, motivation, and work effort	Regression analyses	Supports universalistic
22	Guest, Michie, Conway and Sheehan	2003	UK	Manufacturing and services	Recruitment and selection, training and development, appraisal, financial flexibility, job design, two-way communication, employment security/internal labour market, single status and harmonisation and quality	Labour productivity and profitability	Regression analyses	Supports universalistic
23	Gould-Williams	2003	UK	Local government	Training, information sharing, status difference, team working, rigorous selection process, employment security, internal recruitment, pay-for-performance and employee involvement	Job satisfaction, workplace trust, organisation commitment, employee effort and intention to remain with the organisation	Regression analyses	Supports universalistic
24	DenHartog and Verburg	2004	Netherlands	Multi-industry: private and public	Selection, training, obligation to update skills, internal promotion, management development, mission, HRM strategy, performance evaluation, team performance, pay-for-performance, profit sharing, information sharing meeting, autonomy and job evaluation	Turnover, absenteeism, organisational performance, beyond contract, and economic outcome	Correlations analysis, Regression analyses	Supports universalistic
25	Bartel	2004	Canada	Banking	Opportunity to participate/communication, performance and reward, climate (morale, cooperation and supervisor accessible) and skill	Annual sales and capital stock	Regression analysis	Supports universalistic

Table 2.1 (Continued)

	<b>Author(s)</b>	<b>Year</b>	<b>Location</b>	<b>Sector</b>	<b>Best practice HRM (Independent variables)</b>	<b>Performance indicators (Dependent variables)</b>	<b>Methods</b>	<b>Findings</b>
26	Guerrero and Barraud-Didier	2004	France	Industrial and services	Empowerment, compensation, communication and training	Profitability, work climate, employee attendance, quality of products and services and employee productivity	Correlation and regression analyses	Supports universalistic
27	Tzafrir	2005	Israel	Public and private sectors	Incentive compensation, employee participation, internal labour market and training	Perceived organisational performance, perceived market performance, return on assets, return on equity, net profit, voluntarily quit, and unapproved absenteeism	Regression analyses	Support universalistic
28	Michie and Sheehan-Quinn	2005	UK	Manufacturing and services	Recruitment and selection, internal career opportunities, training, formal appraisals, performance-based pay, employment security, employee participation and consultation, and job design/internal employee flexibility.	Total sales, labour productivity and pre-tax profitability	Correlations analysis, Regression analysis	Supports universalistic, contingency and configurational
29	Tessema and Soeters	2006	Africa	Public sector	Recruitment and selection, placement, training, compensation, employee performance evaluation, promotion, grievance procedure and pension programme	Perceived organisational performance, employee competence, satisfaction/motivation, clarity of role and intention to leave	Regression analyses	Supports universalistic
30	Sels, deWinne, Maes, Delmotte, Faems and Forrier	2006	Belgium	Private sector	Selection, training, careers, appraisal, compensation and participation	Voluntary turnover, labour productivity and financial performance	Regression analyses	Support universalistic

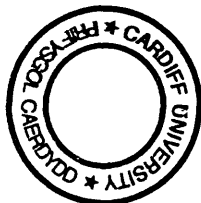


**Table 2.2 Empirical findings on HRM and performance according to best practice HRM**

<b>Best practice HRM</b>	<b>Findings</b>	<b>Author(s)</b>
Recruitment and selection	Worker skills and organisational structure (i.e. recruitment and selection) are positively related to productivity, sales per worker and Tobin's q but, negatively related to worker turnover. Selectivity in staffing is positively influenced to perceived organisational performance. Selective hiring is positively related to operational performance.	Huselid (1995)  Delaney and Huselid (1996) Ahmad and Schroeder (2003)
Rewards	Higher rewards resulted in a lower degree of turnover. Incentive compensation has a positive influence on perceived organisational performance. Incentive compensation affects perceived organisational performance positively. Managers view negatively relationship between pay and performance but workers view positively. Compensation/incentive is positively related to operational performance. Compensation and incentives are positively related to operational performance. Compensation has a negative relationship on productivity. Rewards positively effected to branch performance.	Arthur (1994) Delaney and Huselid (1996) Harel and Tzafir (1999) Fey et al. (2000) Ahmad and Schroeder (2003) Paul and Anantharaman (2003) Rodriguez and Ventura (2003) Bartel (2004)
Training	More investment in training resulted in a lower degree of turnover. Training has a positive effect on perceived organisational performance. Training programme has a positive impact on the perceptions of organisational performance. Training has positive effects on organisational performance. Extensive training has a positive impact on operational performance. Training has a positive impact on operational performance.	Arthur (1994) Delaney and Huselid (1996) Harel and Tzafir (1999) Fey et al. (2000) Ahmad and Schroeder (2003) Paul and Anantharaman (2003)
Decentralisation	Decentralisation of authority resulted in a lower degree of turnover. Decentralisation is positively related to operational performance.	Arthur (1994) Ahmad and Schroeder (2003)
Participation	Commitment HR systems as compared to control HR systems, have a positive impact on productivity and result in a lower degree of turnover. Worker participation affects perceived organisational performance positively. Participation is positively related to ROA and ROE.	Arthur (1994)  Harel and Tzafir (1999) Delery and Doty (1996)
Internally consistent HR bundles	An internally consistent HR bundles are positively related to labour productivity and quality.	MacDuffie (1995)
Performance appraisal	Result-oriented appraisals are positively related to ROA and ROE.	Delery and Doty (1996).

Table 2.2 (Continued)

Best practice HRM	Findings	Author(s)
Internal career opportunity	Internal career opportunities have positive effect on ROA and ROE.	Delery and Doty (1996)
Feedback systems	Feedback systems effect positively to performance as percept by managers but have effect negatively to performance as percept by workers.	Fey et al. (2000)
Teamwork	The use of teams is positively related to operational performance.	Ahmad and Schroeder (2003)
	Teamwork has a positive impact on operational performance.	Paul and Anantharaman (2003)
Information sharing	Information sharing has a positive impact on operational performance.	Ahmad and Schroeder (2003)
Status difference	Status difference is negatively related to operational performance.	Ahmad and Schroeder (2003)
Trade union	Unionised organisations have lower levels of organisational performance than non-unionised organisations.	Bae et al. (2003)
Job design	Job design is positively related to operational performance.	Paul and Anantharaman (2003)
Communication	Communication has a positive effect on branch performance.	Bartel (2004)



## **2.4 Organisational climate**

According to Purcell and Kinnie (2007), it is important to measure organisational climate when scholars examine the relationship between best practice HRM and performance. As provided in the previous sections, scholars propose that best practice HRM is positively associated with performance outcomes such as motivation, job satisfaction, absenteeism, organisational citizenship behaviour, productivity and profitability (e.g. Arthur 1994; Youndt et al. 1996; Delery and Doty 1996; Wood and deMeneze 1998; Godard 2001; Gould-Williams 2004; Michie and Quinn 2005). However, Bowen and Ostroff (2004) who also accept that HRM has a positive effect on performance outcomes, but question the process through which this relationship occurs. In order to answer the query, Bowen and Ostroff (2004) developed a framework for understanding how best practice HRM influence organisational performance by motivating workers to adopt desired attitudes and behaviours, which in the collective, help to attain the organisation's goals. They argue that the critical linkage in the relationship between best practice HRM and performance is organisational climate (Bowen and Ostroff 2004). In other words, researchers should consider the effects of organisational climate when evaluating the outcomes of best practice HRM.

The psychological climate refers to individual perceptions of organisational attributes such as policies, practices and procedures (Schneider 1990). As defined by Poole (1985), organisational climate is the way workers' experience the context, which they operate, and it affects expectations, attitudes and behaviours.

Taguiri and Litwin (1968) define organisational climate as the,

*relatively enduring quality of the internal environment of an organisation that a) is experienced by its members, b) influences their behaviour, and c) can be described in terms of the values of a particular set of characteristics (or attitudes) of the organisation (Taguiri and Litwin 1966: 25).*

In a recent paper of Bowen and Ostroff (2004), organisational climate is defines as,

*a shared perception of what the organisation is like in terms of practices, policies, procedures, routines and rewards---what is important and what behaviours are expected and rewarded, and is based on shared perceptions among employees within formal organisational units (Bowen and Ostroff 2004: 205).*

This shared understanding of appropriate behaviours related to strategic goals, in turn, has a positive impact on organisational outcomes (Bowen and Ostroff 2004). The collective attitude of workers includes trust, fairness, conflict, morale, resistance to change, recognition, support, rewards equity, leader credibility and autonomy (McMurray 2003; Burton et al. 2004; Neal et al. 2005; Gould-Williams 2007). Bartel (2004) includes morale, feeling comfortable in expressing views or suggestions, cooperation among workers, and supervisor accessible as organisational climate in his study of retail banking organisations. Organisational climate is also related to the social environment aspects, which are perceived by workers. Denison (1996) argued that,

*climate portrays organisational environments as being rooted in the organisation's value system, but tends to present these social environments in relatively static terms, describing them in terms of a fixed (and broadly applicable) set of dimensions (Denison 1996: 624).*

Organisational climate thus, is conditions where thoughts, feelings and behaviours of organisational members are linked or shared (Denison 1996).

A number of studies have reported that organisational climate is positively related with productivity at the organisational level of analysis (e.g. Patterson et al. 2004; Buttigieg and Gahan 2005; Neal et al. 2005; Gould-Williams 2007). Patterson et al. (2004) studied 17 scales of organisational climate and productivity in 42 manufacturing organisations. They reported that productivity was significantly correlated with organisational climate and job satisfaction. Also, the results reported that productivity was more strongly correlated with those aspects of climate that has stronger job satisfaction such as skill development and concern for employee welfare, and managers' assessments of most aspects of climate were significantly more positive than those of non-managers.

Using a sample of 286 workers in manufacturing and 'the high technology sector' in Australia, Buttigieg and Gahan (2005) examined the relationship between workplace climate, human resource systems and performance. The HR practices were contingency pay, communication, internal labour market, training, performance appraisals and percentage of workers in teams. Results reported that both workplace climate and high performance work systems affected organisational performance (i.e. productivity, growth, customer satisfaction and quality). Thus, Buttigieg and Gahan (2005) suggested that workplace climate should be considered along with high performance work systems when evaluating the effects of worker effort on performance.

Neal et al. (2005) studied whether the effectiveness of best practice HRM is contingent on organisational climate. Using a sample of data from 92 UK manufacturing organisations, they found that organisational climate was positively correlated with the use of a human-capital-enhancing HRM system and productivity but no evidence to support the claim that organisational climate was fully or partially mediated the relationship between HRM and productivity. Thus, Neal et al. (2005) suggest that worker perceptions of organisational climate moderated the relationship between the use of a human-capital-enhancing HRM system and productivity. In a recent work, using seven aspects of organisational climate such as individual support, trust, personal interest, morale and equitable rewards, Gould-Williams (2007) examined the relationship between HR practices, organisational climate and employee outcomes in local government organisations. He reported that organisational climate and HR practices affected employee outcomes.

In sum, there were empirical evidences to support that organisational climate fully or partially change the relationship between best practice HRM and performance outcomes. Although studies have reported that organisational climate changes the link between HRM and performance however, the evidences were only considered the managers' point of views since they were assumed to have the greatest influence over work processes thus, their viewpoints gave a big impact on organisations' future performance (Gordon and DiTomaso 1992). Therefore, there are limited studies, which considered the workers' point of views (Denison 2001; Gould-William 2007).

## **2.5 Summary**

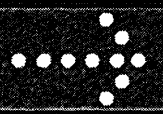
This chapter has described the three general-level theories of HRM and performance, namely the strategic, descriptive and normative theories. The central idea of each theory is summarised in Table 2.3. The descriptive and normative theories specify the elements of best practice HRM, but the normative theories are more prescriptive and attempt to describe the association between best practice HRM and performance at the individual level (Gould-Williams 2004).

Though some argue that ‘best fit’ HRM, which adopts the contingency perspective of HRM, is more realistic (e.g. Wood 1999; Marchington and Grugulis 2000), there is growing support amongst academics that best practice HRM is universally applicable (e.g. Arthur 1994; Delery and Doty 1996; Guest 1997; Wood and deMenezes 1998; Ghorpade et al. 2002; Bartel 2004). Further, they contend that one needs only be concerned with internal fit (Pfeffer 1994). Godard (2004) stated that best practice HRM not only enhances the organisation’s long-term profitability but it enhances workers’ performance. These practices are able to motivate and affect workers’ knowledge and skills development as well as their job performance (Godard 2004). Therefore, Chapter 3 will develop this area further.

Table 2.3 The central ideas of strategic, descriptive and normative theories of HRM

	Strategic theory	Descriptive theory	Normative theory
<b>Key idea</b>	Organisations which hold the best fit between business strategy and best practice HRM will possess superior performance.	Organisations, which have implemented best practice HRM and modified their business strategies as the reflection to external environmental factors will perform better.	Organisations with a specific set of best practice HRM, regardless of size, industry, or business strategy, will always be superior.
<b>Main concept</b>	The main concept of strategic theory is external fit.	The main concept of descriptive theory is external fit. It focuses on a broad classification of the content of HRM practice and a range of outcomes.	The main concept of normative theory is internal fit.
<b>Elements of best practice HRM</b>	Prescriptive	Non-prescriptive	Prescriptive
<b>Performance level</b>	Organisational	Organisational/Individual	Individual
<b>Relationships</b>	Non-linear relationship between best practice HRM and organisational performance.	Non-linear relationship. HRM-performance is influenced by the external environmental factors and organisational responses.	It appears a linear relationship between best practice HRM and organisational performance.
<b>Advocates</b>	Miles and Snow (1984), Schuler and Jackson (1987), Hendry and Pettigrew (1990), Guest (1997), and Michie and Sheehan-Quinn (2005)	Beer et al. (1985) and Kochan et al. (1986)	Walton (1985), Pfeffer (1994), Guest (1997), Godard (2001), Gould-Williams (2003)





PERFORMANCE  
AND  
WORKER OUTCOMES

## CHAPTER

# 3

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### PERFORMANCE AND WORKER OUTCOMES

Chapter 3 aims to provide a basic concept of performance and theories concerning its relationship with best practice HRM. A comprehensive list of performance measures used in various HRM-performance studies is presented. Chapter 3 discusses the effects of best practice HRM on worker outcomes particularly motivation, job satisfaction, organisational citizenship behaviour, stress and intention to quit; and perceived organisational performance.

#### 3.1 Introduction

Previous studies on the links between best practice HRM and organisational performance suggest that there are significant positive relationships between best practice HRM and performance (Delery and Doty 1996; Bjorkman and Xiuchen 2002; Bartel 2004; Michie and Sheehan-Quinn 2005). However, the majority of the studies used organisation-dominated performance measures, notably financial-economic indicators. For example, Delery and Doty (1996) used two financial indicators: return on average assets and return on equity to measure the performance of 1,050 US banks. Bjorkman and Xiucheng (2002) used organisational profitability to measure performance of 62 manufacturing Chinese-Western organisations.

In Russia, Fey et al. (2000) studied the effects of HRM practices on market share, sales growth, quality of product/services and profitability. Bae and Lawler (2000) analysed the HRM-performance linkages of 138 MNCs subsidiaries and local organisations operating in Korea by using market-focused measurements such as the growth rate of sales/revenues, product/service quality and long-run profitability. Similarly, Bartel (2004) used annual sales, capital stock and number of workers as performance indicators in his study.

Michie and Sheehan-Quinn (2005) examined the relationship between HRM practices and organisational performance by using total sales, labour productivity and profitability. Finally, in the study of 104 empirical articles on HRM and performance, Boselie et al. (2005) found that financial measures have been adopted in half of the articles. Of these financial measures, profits were the most common followed by various measures of sales. Therefore, the majority of prior studies show that less attention has been paid to exploring the concept of performance from a worker's perspective. This, as Paauwe (2004) argues, indicates that previous studies have adopted a narrow definition of performance. In order to improve one understanding of the relationship between HRM and performance, broader definitions of performance should be used, along with a consideration of performance outcomes of interest to a range of stakeholder groups (Paauwe 2004) and environmental issues (Guest 1997).

In addition, the debates from the HRM-performance literatures concerning the process of how HRM practices and performance link are still limited. This lack of attention, according to Appelbaum et al. (2000), is a key weakness of previous studies on the implications of HRM practices and organisational performance, and is the interest of this current research project.

As mentioned in Chapter 3, scholars and practitioners may gain a better insight of the relationship between HRM and performance if they consider theories of: (i) HRM, (ii) performance, and (iii) the processes of how HRM is linked to performance. As Chapter 2 discussed the first of these theories, this chapter will now consider the latter two theories. First, this chapter explains theories of performance such as balanced scorecard, multidimensional model and HRM scorecard. Following that, a comprehensive list of performance measures used in various studies is presented. Later, this chapter describes theories concerning the relationship between best practice HRM and performance. Finally, this chapter discusses the effects of best practice HRM on worker outcomes particularly motivation, job satisfaction, organisational citizenship behaviour, stress and intention to quit.

### 3.2 Basic concept of performance

It has been said that when conceptualising performance, one has to differentiate between a behavioural and an outcome aspect of performance (Sonnentag and Frese 2002). The behavioural aspect refers to what the worker does in the workplace (e.g. assembling parts of a car engine and selling personal computers). An outcome aspect refers to the consequences of the worker's behaviour (e.g. numbers of engine assembled and sales figures).

From a behavioural perspective, Ilgen and Schneider (1991) define performance as what the person or system does. Performance consists of a performer that engages in behaviour in a situation to achieve results (Moorman et al. 1989). Nevertheless, not all behaviour is considered under the performance concept (Sonntag and Frese 2002). For example, according to Campbell et al. (1993), performance is synonymous with behaviour when it emphasises behaviours that are relevant for the organisational goals. As they stated, "*Performance is what the organisation hires one to do, and do well. Performance is not the consequence or result of action; it is the action itself*" (Campbell et al. 1993: 40).

In terms of other perspectives, Locke and Latham (1990) define performance as the:

- (i) measures of output which is for both goods and services. The measures can be both quantitative, such as customers served and units sold; and qualitative, such as customer complaints;

- (ii) measures of time, such as failure to reach deadlines, lost working time, and absence; and
- (iii) financial measures, such as return on assets, return on equity, sales growth, and profits.

The above three measures of performance, according to Locke and Latham (1990), are interrelated. For instance, if the absenteeism rate is high, unit production levels may decrease and consequently may result in lower profits. However, the measures are limited to financial-economic dimensions.

Paauwe (2004) argues that HRM is not just aimed at generating added value and profits but more importantly aimed at focusing on the employment relationship. HRM aimed should be at bringing a system of organisational justice in terms of work, time, rewards, information, participation, opportunities for training and career development. There are two types of organisational justice: distributive justice and procedural justice. A distributive justice refers to the perception of individual and the group regarding the fairness of treatment received from an organisation such as fairness of rate of pay, an appraisal score or a promotion decision (James 1993; Meyer and Smith 2000). By contrast, a procedural justice describes the perception of fairness of process used such as fairness of the process for making pay decisions, fairness of the appraisal system, or fairness of the career system (Folger and Konovsky 1989). In simple words, distributive justice refers to the fairness of the allocation of outcomes (e.g. rewards) and procedural justice is

the fairness of the procedures used by the organisation in determining these outcomes (McFarlin and Sweeney 1992; Field et al. 2000).

As such, Paauwe (2004) argues that the role of HRM practices is to satisfy various stakeholder groups and should not focus solely on maximising organisational profits:

*HRM is not just about optimising/maximising performance. It is more about satisfying the different aspiration levels of the various stakeholders involved, such as employees, shareholders, works council members, and trade union activists (Paauwe 2004:68).*

By considering workers' views, Dyer and Reeves (1995) define performance at three levels of outcomes:

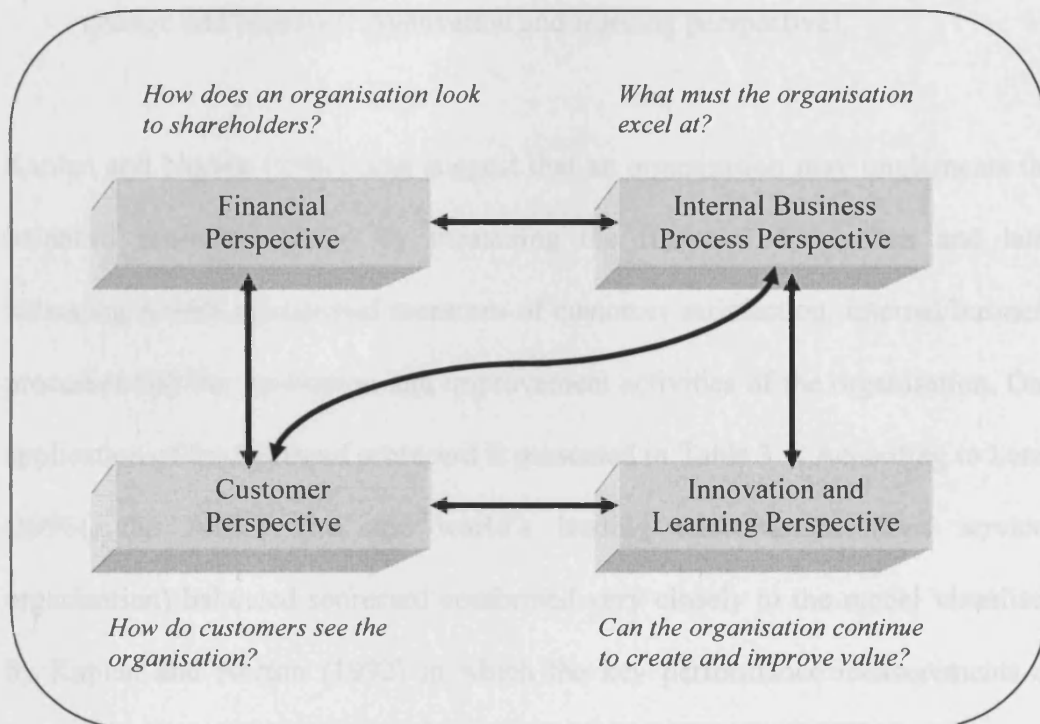
- (i) financial outcomes, such as profits, market share, sales, market-based performance (Tobin's q), and gross rate of return on capital (GRATE);
- (ii) organisational outcomes, such as output measures like productivity, efficiency and quality; and
- (iii) HR-related outcomes, such as attitudinal and behavioural impacts among workers like worker satisfaction, commitment and intention to quit.

It seems that a concept of performance identifies the dimensions of performance that assists scholars to understand the relationship between best practice HRM and organisational performance. The following sections present further views of scholars regarding the performance theories.

### 3.2.1 The balanced scorecard model of performance

Kaplan and Norton (1992) define performance by describing the balanced scorecard model (see Figure 3.1). The balanced scorecard model according to them helps scholars to measure performance with a series of multiple measurements. It is a way of looking at the optimal performance of an organisation. Kaplan and Norton (1992) recognise the importance of outcomes to both shareholders and stakeholders of an organisation. Thus, the model suggests that it is important to maximise every dimension of performance such as financial-economical, operational, and customers rather than to focus on typical financial reports.

Figure 3.1 The balanced scorecard model of performance



Source: Kaplan and Norton (1992:72)



As shown in Figure 3.1, an organisation can measure performance by taking into account the four important perspectives: (i) the financial perspectives; (ii) the internal/business process perspective; (iii) the customer perspective, and finally (iv) the innovation and learning perspective. Each perspective presents answers to the following four basic questions:

- (i) To succeed financially, how should an organisation appear to their shareholders? (Finance perspective);
- (ii) To achieve an organisation's vision, how should organisation appear to their customers? (Customer perspective);
- (iii) To satisfy an organisation's shareholders and customers, what business processes must we excel at? (Internal/business process perspective); and
- (iv) To achieve their vision, how will an organisation sustain their ability to change and improve? (Innovation and learning perspective).

Kaplan and Norton (1992) also suggest that an organisation may implements the balanced scorecard firstly by measuring the financial dimensions and later balancing it with operational measures of customer satisfaction, internal/business processes and the innovation and improvement activities of the organisation. One application of the balanced scorecard is presented in Table 3.1. According to Letza (1996), the AT&T (i.e. the world's leading telecommunications services organisation) balanced scorecard conformed very closely to the model visualised by Kaplan and Norton (1992) in which the key performance measurements of AT&T were generated under each of the four important perspectives.

Table 3.1 An application of the business balanced scorecard: AT&T and Europe/Middle East/Africa (EMEA)

Perspective	Strategic objectives to make the vision a reality
<i>Financial</i> To our EMEA shareholders	<ul style="list-style-type: none"> <li>• Pursue economic value added opportunities</li> <li>• Improve gross profit margin</li> <li>• Reduce manufacturing and purchase costs</li> </ul>
<i>Customer</i> How we differ to customers	<ul style="list-style-type: none"> <li>• Develop customer partnerships based on trust, professionalism and shared values</li> <li>• Become preferred supplier</li> <li>• Outperform other best supplier</li> <li>• Improve responsiveness and reliability in supply of products and services</li> </ul>
<i>Internal processes</i> How we must excel	<ul style="list-style-type: none"> <li>• Increase effectiveness of sales force</li> <li>• Improve delivery performance</li> <li>• Improve responsiveness to opportunities in the marketplace</li> <li>• Build technological capabilities close to the customer</li> </ul>
<i>Growth and innovation</i> How we can continue to improve and create value	<ul style="list-style-type: none"> <li>• Build skills and offer a portfolio for creative solutions</li> <li>• Enter CATV, mobile and LD markets</li> <li>• Create customer- and project-focused teams</li> <li>• Build capability to differentiate on software and service provision</li> </ul>

Source: Letza (1996: 73)

Although Kaplan and Norton (1992) have suggested a multiple criteria of performance measures, critiques have said that the model does not go far enough as it ignores performance from the perspective of workers (Maltz et al. 2003). For example, Atkinson et al. (1997) highlight several weaknesses including the failure to pay attention to workers and suppliers or to the broader community within which the organisation operates. Therefore, they suggested that a much wider

range of stakeholders is needed. They presented how the Bank of Montreal defined different categories of performance indicators with reference to different stakeholder groups as in Table 3.2.

In summary, the general idea of the model is to analyse the organisation's critical success factors, based on the four important perspectives of the scorecard. For each perspective, goals are set and measures developed. The model is a balanced of presentation of both financial and operational measures. Thus, it integrates the results of the organisation's operations (financial measures) and the causes of the results (operational measures). Other organisations that adopted the balanced scorecard model were Apple computers (USA) and NatWest Bank (UK) (Tuffrey 1995).

Table 3.2 Primary and secondary measures for stakeholders groups at the Bank of Montreal

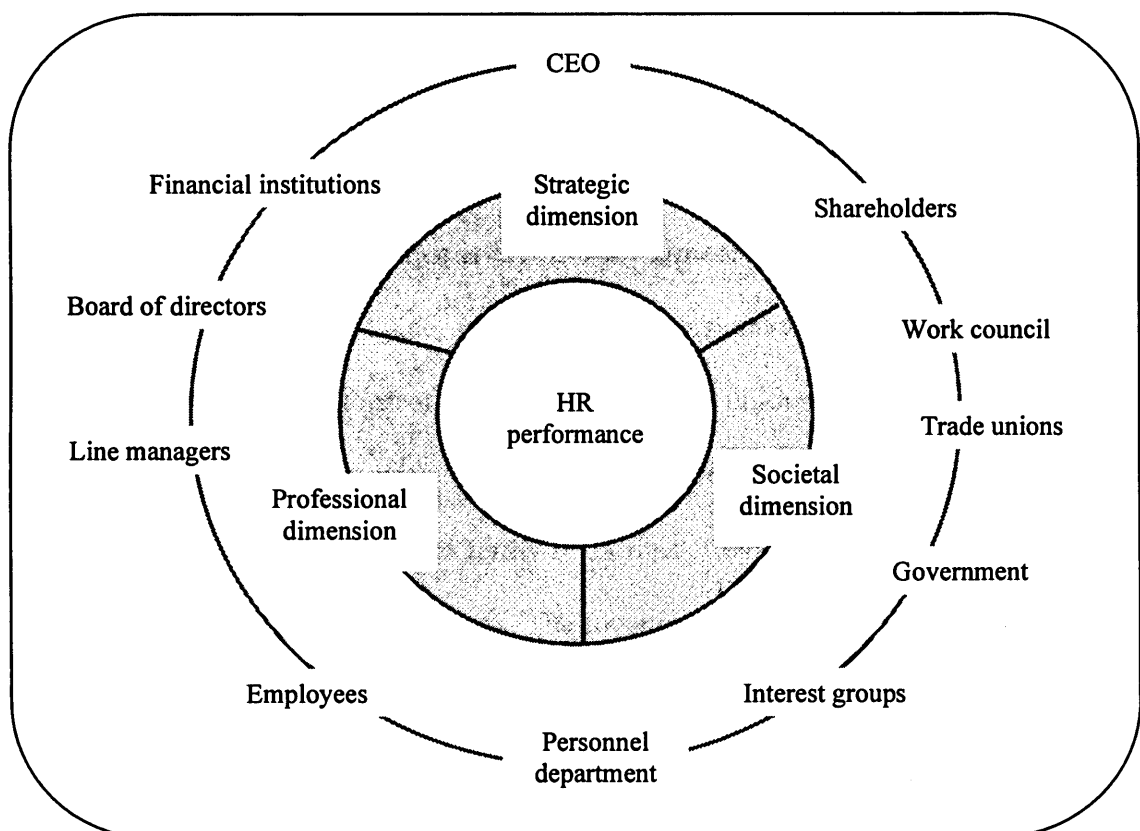
<b>Perspective</b>	<b>Primary measures</b>	<b>Secondary measures</b>
<i>Shareholders</i>	<ul style="list-style-type: none"> <li>• Return on common shareholders' investment</li> </ul>	<ul style="list-style-type: none"> <li>• Revenue growth</li> <li>• Expense growth</li> <li>• Productivity</li> <li>• Capital ratios</li> <li>• Liquidity ratios</li> <li>• Asset quality ratios</li> </ul>
<i>Customers</i>	<ul style="list-style-type: none"> <li>• Customer satisfaction and quality of service</li> </ul>	<ul style="list-style-type: none"> <li>• Customer surveys for different market/product requests</li> </ul>
<i>Employees</i>	<ul style="list-style-type: none"> <li>• Employee commitment</li> <li>• Employee competence</li> <li>• Employee productivity</li> </ul>	<ul style="list-style-type: none"> <li>• Different elements of employee opinion survey</li> <li>• Different elements of customer service index (employee competence)</li> <li>• Financial ratios of employee costs to revenues by different classifications</li> </ul>
<i>Community</i>	<ul style="list-style-type: none"> <li>• Public image</li> </ul>	<ul style="list-style-type: none"> <li>• Different external surveys</li> </ul>

Source: Atkinson et al. (1997: 35)

### 3.2.2 The multidimensional model of performance

Another scholar concerned about the study of HRM-performance relationships is Paauwe (2004). He defines performance in a broader manner, which integrates both financial-economic and employment relationships, and proposes a multidimensional model of performance (see Figure 3.2). As shown in Figure 3.2, performance is divided into three dimensions: (i) strategic, (ii) professional, and (iii) societal. According to Paauwe (2004), the strategic dimension focuses on the expectations of boards of directors, CEOs, shareholders, and financial institutions, in order to generate added value and profits for the organisations. This dimension considers the measures of financial-economic.

Figure 3.2 A multidimensional model of performance



Source: Paauwe (1996: 72)

The professional dimension, on the other hand, focuses on the expectations of line managers, workers and staff of HR departments. This dimension aims to achieve high quality personnel department services. It measures performance based on Zeithaml's et al. (1990) principle of services as follows:

- Tangibles – the evident products of the personnel function such as training and development facilities, evaluation systems and procedures of appraisal.
- Reliability – relates to the capacity it implements the required services in an adequate way.
- Responsiveness – the willingness to provide rapid and certainly timely assistance where help is needed.
- Assurance – the ability to convince the customer that the department can handle its interest as expertise and credibility is available.
- Empathy – the ability to perceive and understand different groups of customers, their backgrounds, situations and perceptions.

The third dimension of performance is the societal dimension. While the strategic dimension focuses on added value, the societal dimension stresses moral values and focuses on the expectations of work councils, trade unions, government, and other interest groups from both inside and outside the organisation. This dimension measures performance in terms of fairness, legitimacy, sustainability, participation and solidarity of the groups. The meaning of each term is outlined in Table 3.3.

Table 3.3 Criteria in the societal dimension of performance

Performance criteria	Meaning
Fairness	This refers to a 'fair' or just arrangement in the agreed exchange between the individual as an worker and the organisation as employer. Elements in this exchange are not only time, money, and labour, but also information, know-how and voice/consultation/participation.
Legitimacy	This refers to the same exchange elements such as fairness, but at a more collective level, whereby the parties involved are interest groups (workers, unions, government through legislation).
Sustainability	This refers to a sustainable development in a way that aims to conserve an ecological balance by avoiding depletion of natural resources.
Participation	This refers to the availability of 'voice' options for all relevant parties involved.
Solidarity	This refers to a willingness to support those individuals/groups that are in an unfavourable position.

Source: Paauwe (1998: 195)

Moreover, the model, according to Paauwe (2004), is developed on the basis that:

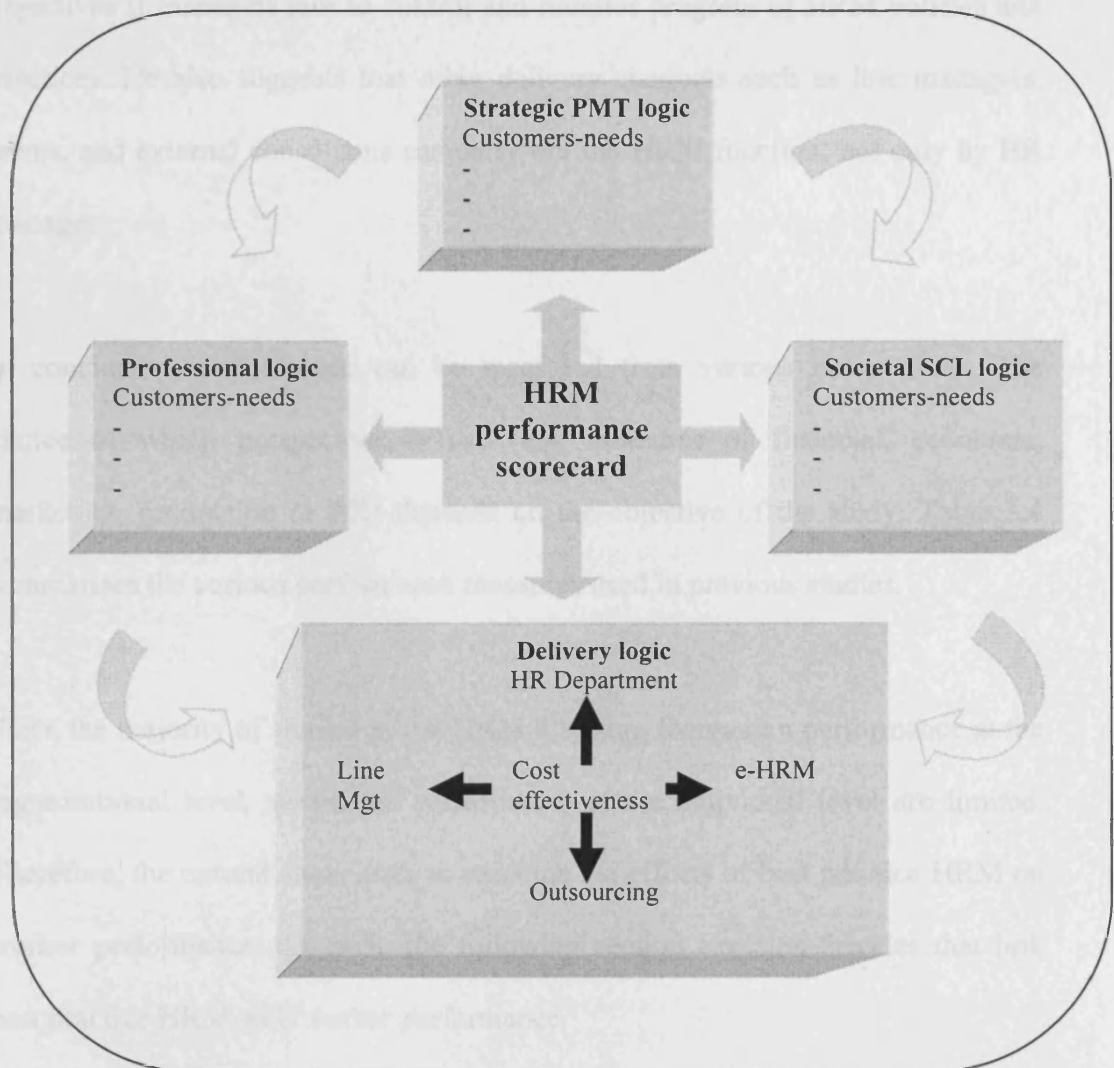
- (i) economic and relational rationality are important for long-term organisational success;
- (ii) HRM is not only intended to contribute to added value. Moral values such as fairness are also an important part of the performance construct;
- (iii) HRM involves more than just being strategic and financial performance oriented. It also considers the professional image of services; and
- (iv) Stakeholders and institutional arrangements from both inside and outside the organisation influence HRM.

As a summary, the key idea of the model is performance should not only be measured from the financial-economic perspectives but also from other perspectives which encompass the interests of stakeholders such as CEO, workers, line managers, government, works council, trade unions, interest groups, personnel department, board of directors, shareholders, and financial institutions. Paauwe (1998) also mentioned that these three dimensions are applicable to various best practice HRM. For example, formal training can have immediate effects on strategic, professional and societal performance.

### **3.2.3 The 4Logic HRM scorecard model of performance**

As discussed in previous paragraphs, Kaplan and Norton developed the balanced scorecard model of performance in 1990 as a system of looking at the best possible organisational performance by considering all the four perspectives. Nevertheless, they noticed that the model ignores the measures concerning HRM. This gap has disappointed Kaplan and Norton (1990), as they said that HRM is the most important element to promote the growth of individual and organisational capabilities. Paauwe (2004) attempts to fill this gap by developing a model of performance called, the 4logic HRM scorecard (see Figure 3.3).

Figure 3.3 The 4logic HRM scorecard



Source: Paauwe (2004: 196)

According to Paauwe (2004), the 4logic HRM scorecard is based on the multidimensional model of performance (as I mentioned it on earlier paragraph), and he includes the *delivery perspective* as an additional perspective to the model. The delivery perspective is based on cost effectiveness and works through HR departments, line management, outsourcing, teams and workers themselves, and self-service through e-HRM.



Paauwe (2004) suggests that it is important to focus on limited goals and objectives if managers aim to control and monitor progress of HRM policies and practices. He also suggests that other delivery channels such as line managers, teams, and external consultants can carry out the HRM function, not only by HR manager.

In conclusion, performance can be measured from various perspectives. The choice of which perspective to use (e.g. measures of financial, economic, marketing, production or HR) depends on the objective of the study. Table 3.4 summarises the various performance measures used in previous studies.

Since the majority of studies in the HRM literature focuses on performance at the organisational level, studies on performance at the individual level are limited. Therefore, the current study aims to examine the effects of best practice HRM on worker performance. As such, the following section explains theories that link best practice HRM with worker performance.

Table 3.4 A summary of performance measures used in various HRM-performance studies

Author(s)	Year	Performance measures
Arthur	1994	Labour productivity, quality, worker turnover
MacDuffie	1995	Labour productivity, quality
Delery and Doty	1996	Return on average asset, return on equity
Ichniowski, Shaw and Prensushi	1997	Labour productivity, quality
Wood and Menezes	1998	Labour productivity, financial, worker turnover, absenteeism
Harel and Tzafir	1999	Quality, new product development, product price, sales, profitability
Appelbaum, Bailey, Berg and Kalleberg	2000	Trust, intrinsic rewards, organisational commitment, job satisfaction and stress
Fey, Bjorkman and Pavlovskaya	2000	Market share, sales growth, quality of product/services, profitability
Godard	2001	Belongingness, task involvement, empowerment, workload and stressfulness, fatigue, self-esteem, job satisfaction, commitment, motivation, citizenship behaviour
Bjorkman and Xiucheng	2002	Profitability and overall performance
Gould-Williams	2003	Job satisfaction, workplace trust, organisation commitment, worker effort, intention to quit
Bae, Chen, Wan, Lawler and Walumbwa	2003	Perceived financial strength, profitability, growth rate, market share
DenHartog and Verburg	2004	Turnover, absenteeism, organisational performance, economic outcome
Bartel	2004	Annual sales, capital stock
Michie and Sheehan-Quinn	2005	Labour turnover, product
Tessema and Soeters	2006	Perceived organisational performance, employee competence, satisfaction/motivation, clarity of role and intention to quit
Sels, deWinne, Maes, Delmotte, Faems and Forrier	2006	Voluntary turnover, labour productivity and financial performance

Source: Various studies (1994 – 2006)

### **3.3 Theories concerning the relationship between best practice HRM and performance**

As explained in Chapter 2, amongst the three general-level theories of HRM, both strategic and descriptive theories satisfactorily measure the relationship between best practice HRM and performance. However these theories overlook how (i.e. the process) best practice HRM affect performance. To achieve a better understanding of such effects, we need to turn to the normative theories of HRM, which are based on organisational behaviour, and motivational theory (Guest 1997).

The principal notion of normative theories as Guest (1997) points out is that, HRM offers a clear integration of behavioural theories and can explicitly explain the relationships between best practice HRM and performance. Therefore, Guest (1997) proposes one possible basis for developing a rational relationship between best practice HRM and performance based on expectancy theory of motivation. Later, Boxall and Purcell (2003) adapted this expectancy theory to describe the linkage between HRM and performance. Besides expectancy theory, the AMO theory of human performance (Appelbaum et al. 2002) and the psychological contracting theory (Rousseau 1990) might also explain how the link between best practice HRM and performance work. Thus, the following sections provide the explanations concerning these theories.

### **3.3.1 The expectancy theory of motivation**

Guest (1997; 1999) following MacDuffie (1995), suggests that expectancy theory is not only concerned about motivation, but is also a theory about the link between motivation and performance. In other words, expectancy theory may provide a theory of process to link best practice HRM and performance. According to Steers et al. (2004), expectancy theory derives from the early work of Lewin (1938) and Tolman (1959), who saw behaviour as purposeful and goal directed. However, Vroom (1964) presented the first systematic formulation of expectancy theory as it related to the workplace. In 1968, Porter and Lawler expanded Vroom's work. Thus, the following sections will explain further concerning both expectancy theory by Vroom (1964) and Porter and Lawler (1968).

#### **3.3.1.1 Vroom's expectancy theory of motivation**

Vroom's expectancy theory, which is also known as the Valence-Instrumentality-Expectancy Theory, deals with motivation and management. According to Vroom (1964), the relationships between worker's performance and their goals is not simple because the performance of the worker is influenced by individual factors such as abilities, personality, knowledge, skills and past experience. The theory states that workers have different sets of goals and able to be motivated if they believe that:

- (i) there is a positive correlation between effort and performance;
- (ii) positive performance will result in a desirable reward;
- (iii) the reward will satisfy an important need; or

(iv) the desire to satisfy the need is strong enough to make the effort valuable.

Vroom's expectancy theory applies three key concepts. The first concept is Expectancy Belief, which refers to the strength of a worker's belief about whether a particular job performance is achievable. It is based on the perceived effort-performance relationship: one's belief about the probability that effort will lead to the desired performance. Several factors are considered to influence a worker's expectancy perceptions. These include:

- (i) the level of confidence in the skills required for the task;
- (ii) the amount of support that may be expected from superiors and subordinates;
- (iii) the quality of the materials and equipment; and
- (iv) the availability of applicable information.

Previous experiences at the task have also been shown to strengthen expectancy beliefs. The second concept of Expectancy theory is Instrumentality Belief, which refers to the strength of workers' belief about whether they will actually receive what they desire. It is based on the perceived performance-reward relationships. In other words, the instrumentality is the belief that if a worker does meet performance expectations, he or she will receive a greater reward.

Lastly, the key concept of Vroom's expectancy theory is Valence Belief. Valence refers to the value that the individual personally places on the outcomes (i.e. rewards). This is a function of worker needs, goals, and values. A reward is

believed to have positive valence when a worker prefers to have it, whereas a reward that the worker would rather avoid such as fatigue, stress, noise and layoffs, is negative valence. In other words, if workers perceive the reward to be high (positive valence), they will give more effort whereas, if workers perceive the reward to be low (negative valence), then they will give forth-minimal effort for the organisation. Furthermore, rewards towards which the workers show indifference are believed to have zero valences.

While Vroom's expectancy theory summarised the key concepts that can motivate a worker to perform, Porter and Lawler (1968) derived a more comprehensive explanation regarding the mediating factors, which links motivations and performance.

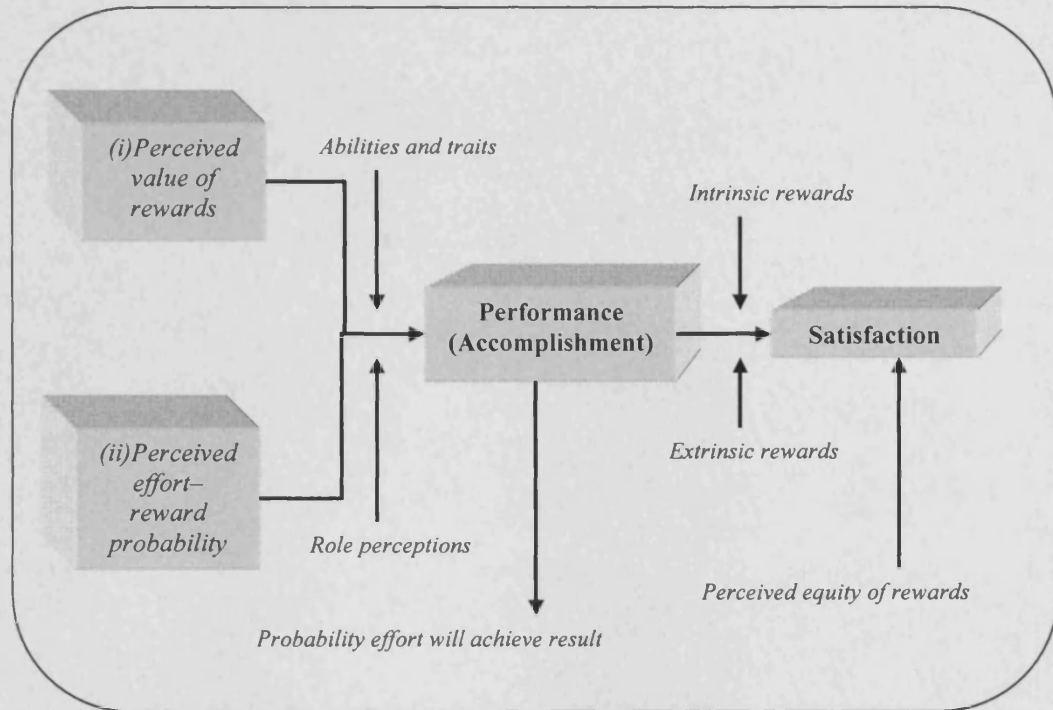
### **3.3.1.2 Porter and Lawler's expectancy theory of motivation**

Porter and Lawler (1968) extend Vroom's theory of expectancy by providing two elements that lead to worker's effort and propose that high performance may cause high satisfaction (see Figure 3.4). The first element that shapes worker's effort is the value of rewards. The amount of effort depends on the value of a reward offered to a particular worker. Workers may hold either positive or negative values of rewards. They will use effort if they believe the increased effort will lead to a desired reward.

For example, if workers expect that they will receive attractive rewards from the organisation, then higher effort will be contributed. On the contrary, if the

organisation provides unattractive rewards, the workers will put a low effort in their job.

Figure 3.4 Porter and Lawler's expectancy theory of motivation



Source: Porter and Lawler (1968:165)

The second element that shapes worker's effort is the perceived effort-reward probability. The perceived effort-reward probability means a subjective probability of a worker's perception that the rewards will result from effort that he or she puts in. Perceived effort-reward will influence the actual job performance. For example, if a worker knows that he/she can do a job, he/she has a better appreciation of the effort required and knows the probability of the reward. This relationship shows that rewards depend on performance and that performance depends on effort. Moreover, this relationship is greatly mediated by a worker's

abilities and traits, and role perceptions (i.e. perception of what the required task is).

Ability refers to the worker's mastery of competencies required to do a job (e.g. knowledge, intelligence, training skill). Traits refer to worker's personality characteristics (e.g. A-or-B-type personalities, introvert personality, extrovert personality). Whereas, role perceptions are the worker's beliefs about what is required to do the job successfully. Thus, a worker who has high levels of motivation will perform better if they have the appropriate personality characteristics and a good understanding of that role within the organisation. In contrast, a worker who has high levels of motivation but lacks appropriate personality characteristics and does not have an accurate understanding of their job role is unlikely to perform as well.

Furthermore, Porter and Lawler (1968) propose that high performance may cause high satisfaction. Performance as they suggest, is perceived to lead to various extrinsic (i.e. outcomes provided by the organisation, such as a good salary, status and good fringe benefits) and intrinsic rewards (i.e. personally satisfying outcomes such as the worker's feelings of achievement and personal growth). The worker evaluates the equity of these various rewards relative to the effort expended and the level of performance attained. What the worker perceives, as a fair reward for effort, will then automatically affect the satisfaction derived. Similarly, the value of rewards will also be mediated by satisfaction.



The theory of expectancy has been validated extensively and has been considered by scholars to be the best guide for understanding the relationship between the best practice HRM and performance (e.g. MacDuffie 1995 and Guest 1997). MacDuffie (1995) argues that high performance work practices operate effectively: (i) when workers possess knowledge and skills, which managers lack; (ii) when workers are motivated to apply these skills through discretionary effort; and (iii) when the organisation's business strategy can only be achieved through mobilizing this discretionary effort.

However, Guest (1997) takes this one-step further and argues that: (i) selection and training practices deliver the appropriate skills; (ii) worker involvement and possibly performance-related pay provide the motivation; and (iii) job design such as team working, extensive communication and feedback, provide the appropriate role structure and perception. Together, these facilitate high levels of individual performance, which in turn produce the high performance outcomes, in the form of productivity and low labour turnover that result in the financial outcomes. Guest (1997) also claims that a key intervening variable in explaining the link between best practice HRM and worker outcomes such as job satisfaction, perceived job security and motivation, is the psychological contract. Hence, the expectancy theory presents a basis for measuring and explaining the relationship between best practice HRM and worker performance. However, researchers should be aware that there are also non-HRM factors involved when analysing this relationships.

It is recommended that the function of best practice HRM on organisational performance will be greater in those instances in which the human resource matters more (Guest 1997). For instance, the human factor is possibly more important in the service sector or public sector organisations where front line staff are required to have extensive interaction with service users. As discussed in the previous paragraphs, an exclusive feature of HRM is its assumption that workers hold the potential to positively influence organisational performance. Thus, any theories that examine the relationships between best practice HRM, worker performance, and organisational outcomes should build on this assumption. Figure 3.5 presents such a model that illustrates the relationships between best practice HRM and both individual and organisational outcomes.

Figure 3.5 The model of HRM and performance

HRM strategy	HRM practices	HRM outcomes	Behaviour outcomes	Performance outcomes	Financial outcomes
Differentiation (Innovation)	Selection	Commitment	Effort/ Motivation	<i>High:</i> Productivity Quality Innovation	Profits
Focus (Quality)	Training Appraisal Rewards Job design		Quality		
Cost (Cost-reduction)	Involvement Status and security	Flexibility	Involvement Organisational citizenship	<i>Low:</i> Absence Labour turnover Conflict Consumer complains	ROI

Source: Guest (1997: 270)

As shown in Figure 3.5, Guest's model of HRM and performance links six boxes. The first box covers HRM strategy and comprises differentiation, focus and cost strategies. The second box covers HRM practices that are selection, training, appraisal, rewards, job design, involvement and status and security. Guest (1997) proposes that these practices should be selected on the basis of achieving the three HRM outcomes (i.e. third box): high worker commitment, high quality, and high flexibility. The model hypothesises that changes in worker behaviour (i.e. fourth box) will lead to superior short-term performance (i.e. fifth box) and long-term performance (i.e. sixth box) if all three HRM outcomes are reached.

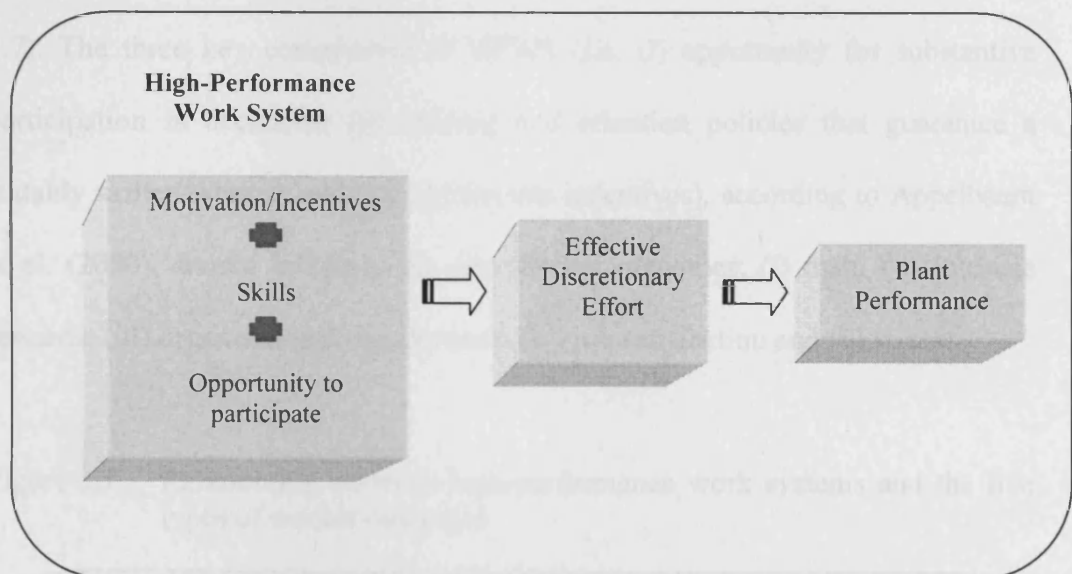
In other words, Guest (1997) suggests HRM practices designed to develop the HRM outcomes, should facilitate high individual performance thus should lead to desired organisational financial outcomes. For example, it is proposed that if organisations design selection and training with the aim of improving workers abilities and skills, ensure that there are opportunities for internal promotion and team working; then high productivity, high quality, low absenteeism, low labour turnover and high organisational profitability should be achieved.

### **3.3.2 The AMO theory of human performance**

According to Boxall and Purcell (2003: 137), *"if we are concerned to manage individual human performance more effectively, we should actually start with a theory of human performance"*. Boxall and Purcell (2003) refer this to the AMO theory. This theory is a basic theory of performance and may explain the link between best practice HRM and individual performance. The main concern of the

AMO theory is that individual performance is a function of worker ability (A), motivation (M) and opportunity (O):  $P = f\{A,M,O\}$ . Workers may offer higher performance if: (i) they are *able* (A) to perform the job; (ii) they have the *motivation* (M) to perform the job; and (iii) their work environment provides the appropriate support and *opportunities* for expression (O). The AMO theory is based on Bailey's (1993) theoretical framework of HRM and performance (see Figure 3.6).

Figure 3.6 Components of high-performance work systems



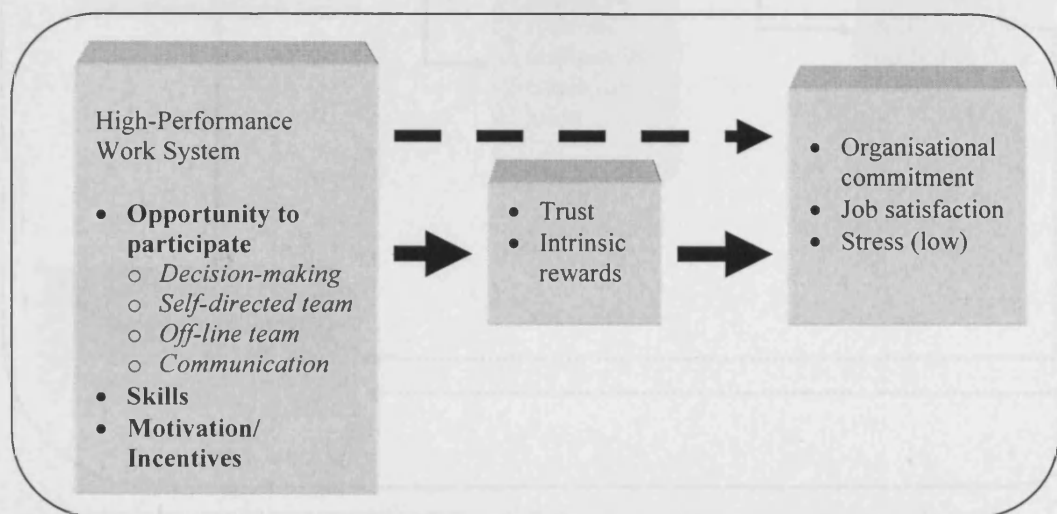
Source: Bailey (1993) In Appelbaum et al. (2000: 27)

As Bailey (1993) explained in his framework shown in Figure 3.6, there are three components to understand effectively the link between best practice HRM and performance. The components include: (i) motivation/incentives, (ii) skills, and (iii) opportunity to participate. He suggested that workers should have appropriate motivation and suitable skills in order to perform effectively. At the same time,

management should offer them an opportunity to participate. As a result, an organisation might gain effective discretionary effort from the workers and thereafter possibly increase organisational performance. Delery and Doty (1997) and Appelbaum et al. (2000) have used the framework.

Building on a framework developed by Bailey (1993) and based on observations in forty-four plants in manufacturing, steel and apparel industries, Appelbaum et al. (2000) suggested a theoretical framework concerning the three key components of successful high-performance work systems and worker outcomes (see Figure 3.7). The three key components of HPWS (i.e. (i) opportunity for substantive participation in decisions; (ii) training and selection policies that guarantee a suitably skilled worker; and (iii) appropriate incentives), according to Appelbaum et al. (2000), should influence the five worker outcomes: (i) trust, (ii) intrinsic rewards, (iii) organisational commitment, (iv) job satisfaction and (v) stress.

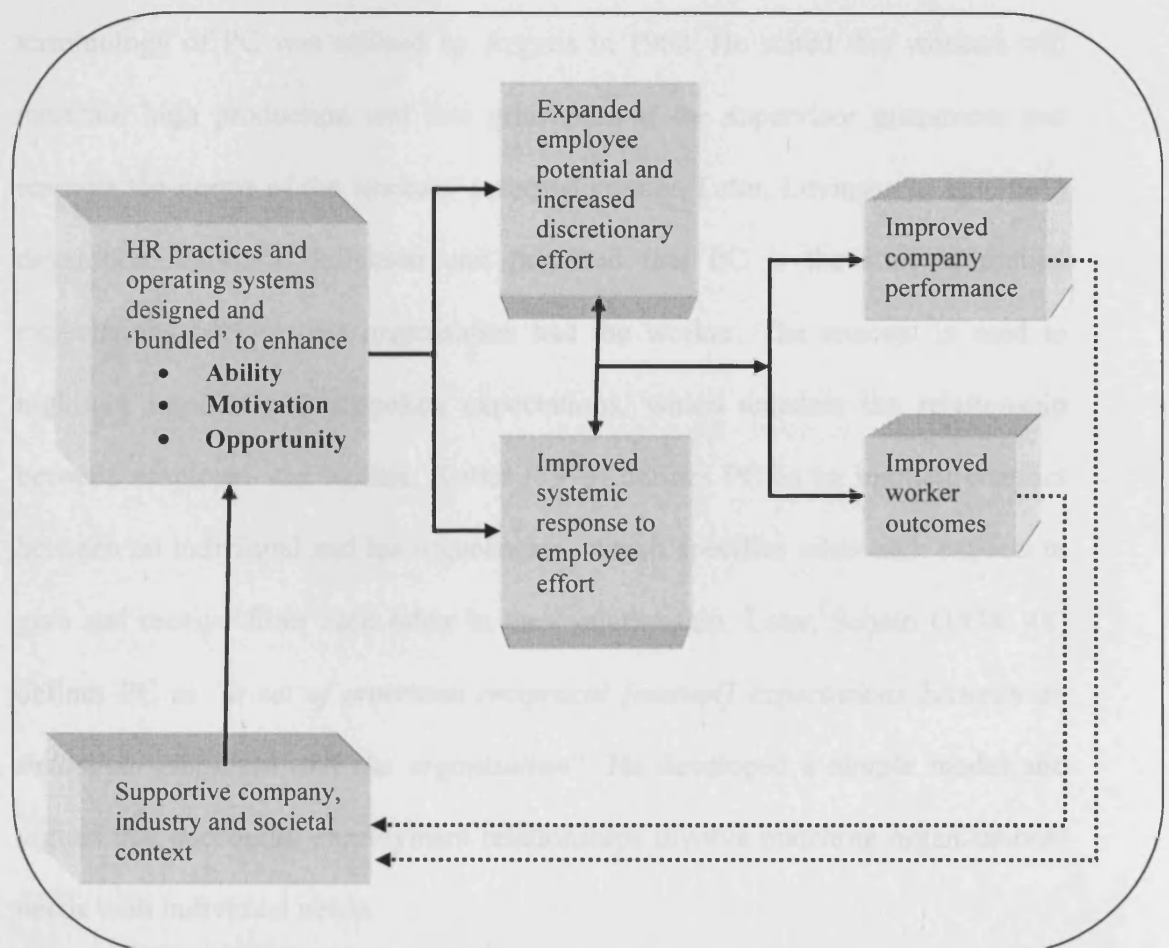
Figure 3.7 Relationship between high-performance work systems and the five types of worker outcomes



Source: Appelbaum et al. (2000: 167)

As highlighted earlier, Boxall and Purcell (2003) believe that worker's performance is influenced by the individual's *abilities* (A), *motivation* (M) and their *opportunity* to succeed (O). Workers can perform efficiently when: they are able to carry out the job; they are motivated; and their work environment offers the appropriate facilities and support. As illustrated in Figure 3.8, the implementation of best practice HRM are expected to influence organisational performance through worker ability together with appropriate knowledge, skills and motivation and the opportunity to contribute.

Figure 3.8 HRM-performance linkages: the "AMO" elements



Source: Boxall and Purcell (2003: 21)

In other words, performance at both individual and organisational level can be improved if the management use selective hiring and better training systems to develop worker's ability; more comprehensive incentives such as annual bonuses to enhance worker's motivation; and participative management styles such as team working and mutual trust worker-employer relationships that increase opportunities to contribute.

### **3.3.3 The psychological contract theory**

The psychological contract (PC) theory represents an attempt to understand individual performance from the psychological perspective. The first concept and terminology of PC was utilised by Argyris in 1960. He stated that workers will maintain high production and low grievances if the supervisor guarantees and respects the norms of the workers' informal culture. Later, Levinson et al. (1962) developed Argyris's definition and proposed that PC is the sum of mutual expectations between the organisation and the worker. The concept is used to highlight implicit and unspoken expectations, which antedate the relationship between employer and worker. Kotter (1973) defines PC as an implicit contract between an individual and his organisation, which specifies what each expects to give and receive from each other in their relationship. Later, Schein (1978: 48) defines PC as *"a set of unwritten reciprocal [mutual] expectations between an individual employee and the organisation"*. He developed a simple model and argued that successful employment relationships involve matching organisational needs with individual needs.

In recent years, Rousseau (1990: 390) defines PC as a “*set of expectations held by the individual worker that specifies what the individual and the organisation expect to give and receive in the working relationship*”. In other words, PC is an individual’s belief regarding the terms and conditions of a reciprocal exchange agreement between the one person and another party.

Rousseau (1990) added that PC emerges when one party believes that: (i) a promise of future returns has been made; (ii) a contribution has been given and thus, (iii) an obligation has been created to provide future benefits. As such, it is quite clear that the PC is concerned with the promises and obligations (not expectations alone) to which both the individual and the other party are believed to have committed themselves (Guest 1998).

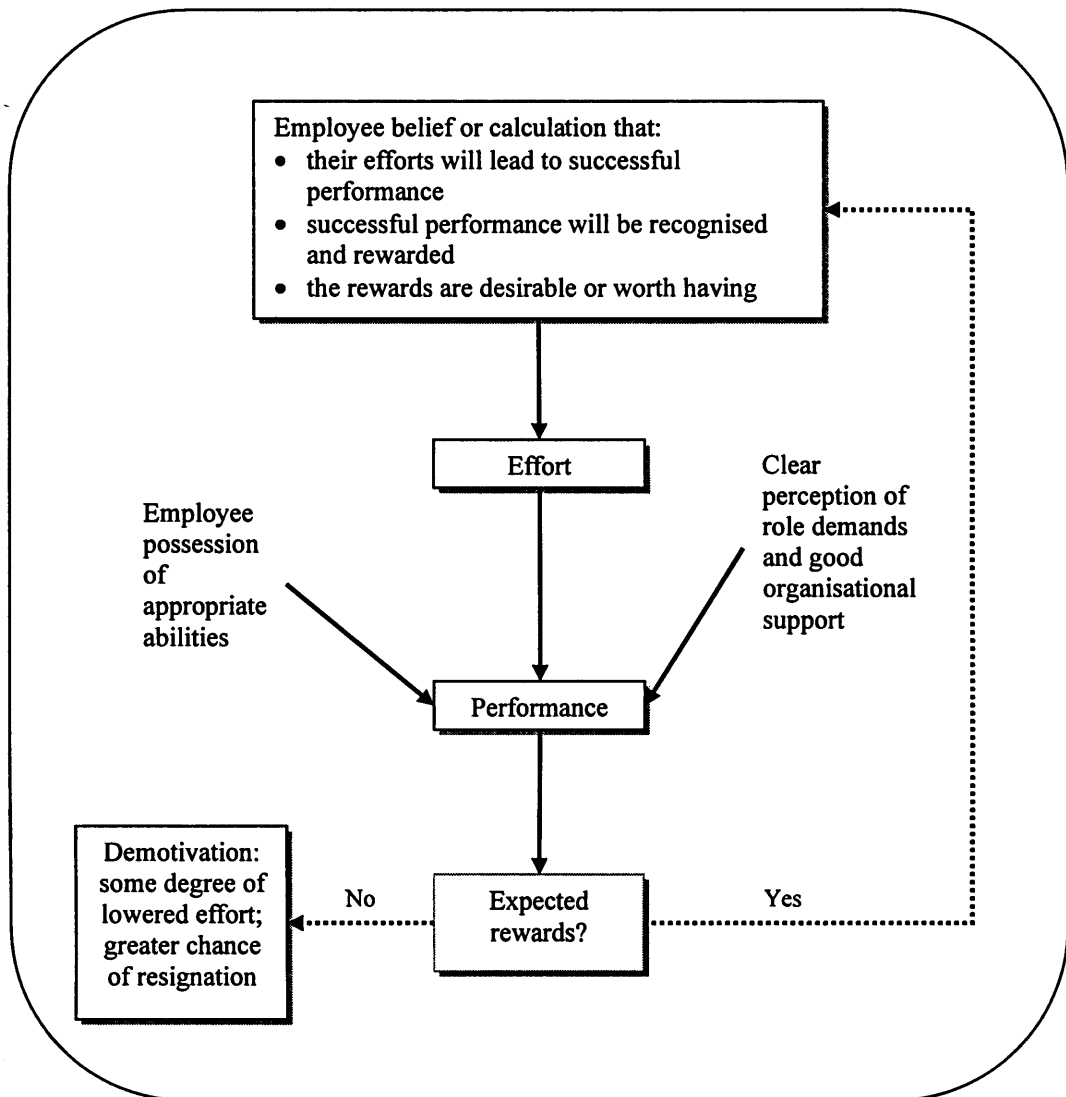
The concept of PC stems from the expectancy theory of motivation. As Grant (1999: 328) stated:

*Irrespective of which definition or model of the psychological contract one is looking at, a common feature is apparent - the concept of expectations. In all these instances, descriptions of the concept borrow heavily from expectancy theory in that they suggest that the psychological contract is influenced by our desired goals and outcomes. The expectation we have of achieving these goals and outcomes determines our motivation to work and therefore our behaviour at work (Grant 1999: 328).*

Boxall and Purcell (2003) adapted the expectancy theory of motivation and performance from Watson (1986) to show the role of expectancy theory in developing the psychological contract (see Figure 3.9).



Figure 3.9 The expectancy theory of motivation and performance (with added factors to recognise the full 'performance equation')



Source: Watson (1986: 119) In Boxall and Purcell (2003: 155)

As presented in Figure 3.9, Boxall and Purcell (2003) introduced new elements that are showed in the text boxes without borders to build a more comprehensive model of individual performance. The main elements of the original theory of expectancy theory are shown in the text boxes with borders.

To summarise, the expectancy theory focuses on a key idea that workers' motivation and performance are influenced by their expectations and work experiences. As for the AMO theory of human performance, the workers' effort and performance are affected by the workers' ability, motivation and opportunity to participate. Likewise, the psychological contract theory focuses on an individual's belief shaped by the social processes of the organisation, regarding terms of exchange agreement between employer and workers. From the above discussions, it can be seen that the AMO theory of human performance and the psychological contract theory of motivation expand the expectancy theory thus the theories may provide the explanation on how the HRM-Performance relationship works.

While the above sections discuss theories concerning the relationship between best practice HRM and performance, the next section will attempt to explain worker outcomes associated with best practice HRM such as motivation, job satisfaction, organisational citizenship behaviour, stress and intention to quit.

### **3.4 Worker outcomes**

#### **3.4.1 Motivation**

Motivation as described by Vroom (1964) is "*a process governing choice made by persons...among alternative forms of voluntary activity*" (Vroom 1964: 6). It is also described as "*the contemporary (immediate) influence on direction, vigor, and persistence of action*" (Atkinson 1964: 2). Robbins (2005) defines motivation

as, *“the process that account for an individual’s intensity, direction, and persistence of effort toward attaining a goal”* (Robbins 2005: 170). This definition shows that motivation is related to the three important elements: intensity, direction, and persistence. An individual’s intensity is concerned with how hard a person tries, but high intensity is only likely to achieve high performance if the effort is channelled in a direction that benefits the organisation. Therefore, the quality of effort and intensity are important. The persistent element of motivation is an assessment of how long a person can maintain their effort. It has been said that motivated individuals remain with a task long enough to reach their goals (Robbins 2005).

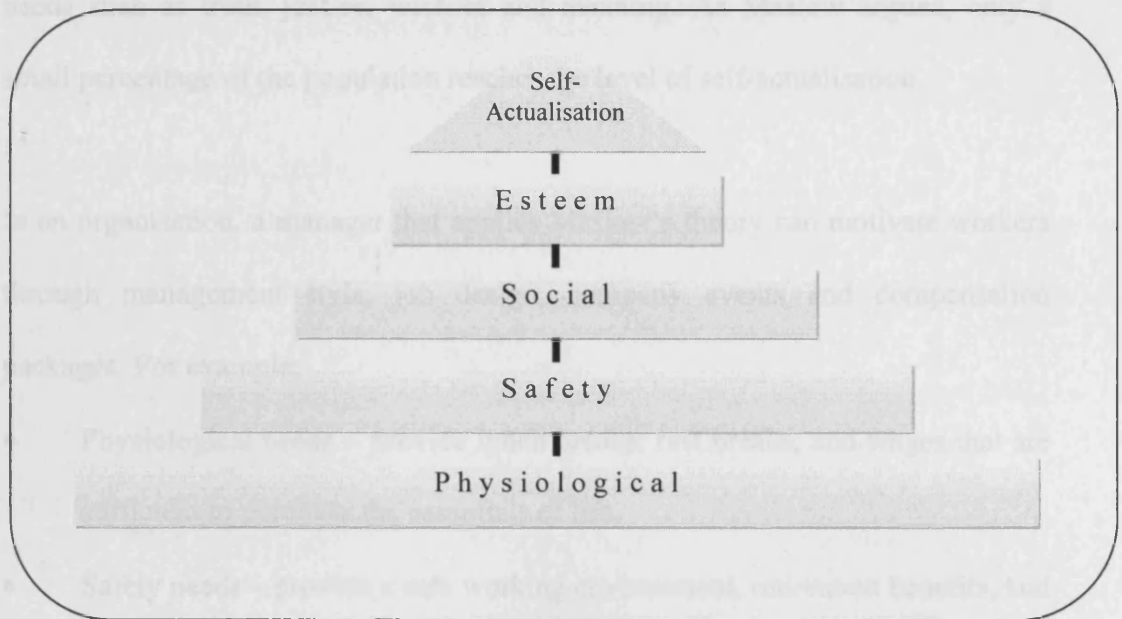
Likewise, Pinder (1998) defines motivation as the set of internal and external forces that initiate work-related behaviour and determine its form, direction, intensity and duration. This definition recognises the impact of environmental factors such as reward systems and the nature of work, as influencing the motivation of workers. According to Ambrose and Kulik (1999), scholars cannot measure work motivation directly but instead need to rely on established theories as a guide in measuring the manifestations of work motivation. Early theories of motivation were developed in the 1950s. Even if the theories received many critiques especially in terms of validity, those theories are most likely still the best-known explanations for worker motivation. For example, Maslow’s hierarchy of needs and theories X and Y.

### **3.4.1.1 Maslow's hierarchy of needs**

As motivation is driven by the existence of unsatisfied needs, it is important for a manager to understand which needs are the more important for individual workers. To explain this, Maslow has developed a theory where low-level needs such as physiological and safety needs must be satisfied before higher-level needs such as self-fulfilment are pursued. When a need is mostly satisfied, it no longer motivates and the next level takes its place. Maslow's hierarchy of needs is shown in the Figure 3.10.

As shown in Figure 3.10, in brief, according to Maslow, if the physiological needs such as air, water, sleep, and food, are not satisfied then one's motivation will arise from the quest to satisfy them. Higher needs such as social needs and esteem are not felt until one has met the needs basic to one's bodily functioning. Once the physiological needs are met, one's attention turns to safety and security in order to be free from the threat of physical and emotional harm. Safety needs include living in a safe area, medical insurance, job security and financial reserves.

Figure 3.10 Maslow's hierarchy of needs



Source: Maslow (1987)

After a person has met the lower level needs (i.e. physiological and safety), higher level needs become important: social needs. Social needs are those related to interaction with other people and may include need for friends, belonging and to give and receive love. Once a person feels a sense of belonging, the need to feel important arises. Esteem needs may be classified as internal or external. Internal esteem needs are those related to self-esteem such as self-respect and achievement whereas external esteem needs are those such as attention, status, reputation and recognition.

Finally, self-actualisation is the high point of Maslow's hierarchy of needs. It is the quest of reaching one's full potential as a person. Unlike lower level needs, this need is never fully satisfied because as one grows psychologically there are

always new opportunities to continue to grow. Self-actualised people tend to have needs such as truth, justice, wisdom and meaning. As Maslow argued, only a small percentage of the population reaches the level of self-actualisation.

In an organisation, a manager that applies Maslow's theory can motivate workers through management style, job design, company events and compensation packages. For example;

- Physiological needs – provide lunch breaks, rest breaks, and wages that are sufficient to purchase the essentials of life.
- Safety needs – provide a safe working environment, retirement benefits, and job security.
- Social needs – create a sense of community through team-based projects and social events.
- Esteem needs – recognise achievements to make workers feel appreciated and valued. Offer job titles that convey the importance of the position.
- Self-actualisation – provide workers a challenge and the opportunity to reach their full career potential.

Nevertheless, not all workers are driven by the same needs. In other words, at any time, different people may be motivated by entirely different factors. Therefore, it is important to understand the needs being pursued by each worker.

### **3.4.1.2 Theory X and theory Y**

Douglas McGregor (1960) developed theories X and Y. He suggested two different attitudes of human beings motivation labelling them as Theory X and Theory Y. Theory X stated that:

- Workers inherently dislike work and, whenever possible, will attempt to avoid it.
- Since workers dislike work, they must be coerced, controlled, or threatened with punishment to achieve goals.
- Workers will avoid responsibilities and seek formal direction whenever possible.
- Most workers place security above all other factors associated with work and will display little ambition (Robbins 2005: 172).

In contrast to these attitudes, McGregor (1960) listed four positive assumptions (Theory Y) believed by managers as below:

- Workers can view work as being as natural as rest or play.
- People will exercise self-direction and self-control if they are committed to the objectives.
- The average person can learn to accept, even seek, responsibility.
- The ability to make innovative decisions is widely dispersed throughout the population and is not necessarily the sole province of those in management positions (Robbins 2005: 172).

Between these theories, McGregor (1960) believed that Theory Y is more valid than Theory X. He proposed that HRM activities such as decentralisation and delegation, job enlargement, participative management, and performance appraisals would maximise a worker's motivation. In other words, if those activities were properly implemented, such an environment would result in a high level of motivation as workers work to satisfy their higher-level personal needs through their jobs.

### **3.4.1.3 Motivation: Empirical findings**

As discussed above, motivation plays an important role to enhance performance. For example, wages are one of the key outcomes of work that motivates workers thus, organisations that provide good reward systems are likely to motivate workers to work harder and more efficiently (Vroom 1964). Several recent studies suggest that best practice HRM are related to workers' motivation. For example, Huselid 1995; Dowling and Richardson 1997; Becker and Huselid 1998; Guest 1999; Fey et al. 2000; Godard 2001; Park et al. 2003; Gould-Williams 2004; Gould-Williams and Davies 2005 and Tessema and Soeters 2006.

Huselid (1995) reported that motivation through rewards contributed to a higher market value of the organisation. Particularly, in a study of high performance work practices and corporate financial performance, Huselid (1995) found that a standard deviation increase in high performance work practices enhances workers' motivation and translates into a seven percent decrease in turnover, an increase of \$2,700 in sales per worker, a \$19,000 increase in market value and \$4,000 rise in



profits. Likewise, Dowling and Richardson (1997) reported positive effects between performance-related pay and workers' motivation. Becker and Huselid (1998) studied the linkage between high performance work practices and corporate financial performance in the US. They found a significant positive impact between HRM practices and workers' motivation, skills, job design and work structures.

Guest (1999) assessed workers' reactions to HRM practices and found that HRM practices had a significant positive affect on motivation. Subsequently, he found higher motivation was significantly associated with satisfaction, commitment to the organisation, a positive psychological contract, lower income and good employment relations. Guest (1999) also found that working in the public rather than the private sector is positively associated to worker motivation. Moreover, workings on fixed term, being more senior in the organisation and worker age are positively associated with workers' motivation.

While Guest (1999) found a significantly higher motivation for workers in UK organisations where more HRM practices are in place, Wright et al. (1999) tested the impact of HRM practices (i.e. selection, training, compensation and appraisal) and participation on the financial performance of US petro-chemical organisations. Wright et al. (1999) found that training and compensation had a positive relationship on motivation of the workers. They proposed that organisations may influence worker's motivation by implementing HRM practices

such as good training programmes. Moreover, organisations that tie pay to performance can expect to develop a highly motivated workforce.

Fey et al. (2000) examined the effect of HRM practices on performance in 101 foreign firms in Russian organisations. They supported the notion that motivation is a mediating variable between HRM practices and organisational performance. In particular, Fey et al. (2000) found that non-technical training and high salaries had a positive impact on motivation for managers while job security was the most important predictor of motivation for non-managerial workers.

Appelbaum et al. (2000) found both formal and informal training were positively associated with intrinsic motivation. They also found a positive relationship between autonomy and intrinsic motivation. Park et al. (2003) collected cross-sectional data from fifty-two Japanese multinational corporation subsidiaries operating in the U.S. and Russia and found that the impact of HR system on organisational performance was not only mediated by worker skills and attitudes, but also by motivation.

In a study of 508 employed Canadians, Godard (2001) explored the implications of alternative work practices on worker outcomes and found a significant positive effect on motivation. Gould-Williams (2004) also found a significant positive effect between HRM practices and worker motivation in his study of 206 UK workers. Gould-Williams and Davies (2005) examined the effects of HRM practices on worker outcomes between managers and public sector workers in

seven local government departments. They found that team-working, worker involvement, empowerment, rewards and job security had significant, positive effects on worker motivation. Finally, Tessema and Soeters (2006) studied eight HRM practices and performance in 313 civil servants in Africa. They found that recruitment, selection, training, compensation and grievance procedure had a positive significant linkage on worker's motivation.

In sum, all empirical evidence presented in this section showed that best practice HRM are positively related to workers' motivation, which in turn enhances the organisational performance. More than half of the evidences are based on private sector organisation. The evidence also shows that factors positively affecting motivation included job satisfaction, psychological contract, level of income, employment relations, organisational sector, worker's age, seniority in the organisation, and type of employment. Therefore, on the basis of motivation theories and the empirical evidence provided, relating to best practice HRM and motivation, my first research hypothesis is:

*Hypothesis 1a: 'Best practice' HRM will positively effect worker motivation in England local government organisations.*

*Hypothesis 1b: 'Best practice' HRM will positively effect worker motivation in Malaysia local government organisations.*

*Hypothesis 1c: Organisational climate will positively effect worker motivation in England local government organisations.*

*Hypothesis 1d: Organisational climate will positively effect worker motivation in Malaysia local government organisations*

### 3.4.2 Job satisfaction

It has been stated that the topic of job satisfaction has been one of the most widely studied subjects in the management field over the last 60 years (Mitchell and Larson 1987). According to Locke (1976), job satisfaction is an indication of how individuals feel about their job when their expectations are compared to what is actually received from different aspects of the work situation. It is a pleasurable or positive emotional state resulting from an appraisal of one's job experiences. Robbins defines job satisfaction as "*a collection of feelings that an individual holds toward his job*" (Robbins 2005: 29). In other words, a satisfied worker holds positive feelings about the job whereas a worker with a low level of job satisfaction holds negative feelings about the job. Robbins (2005) states that job satisfaction is an important dependant variable as it demonstrates a strong positive relationship with organisational performance.

In order to understand the process of job satisfaction to organisational performance, psychologists and management scholars have developed various theories of job satisfaction such as theory of hygiene-motivation (Herzberg 1966) and job characteristic model (Hackman and Oldham 1980).

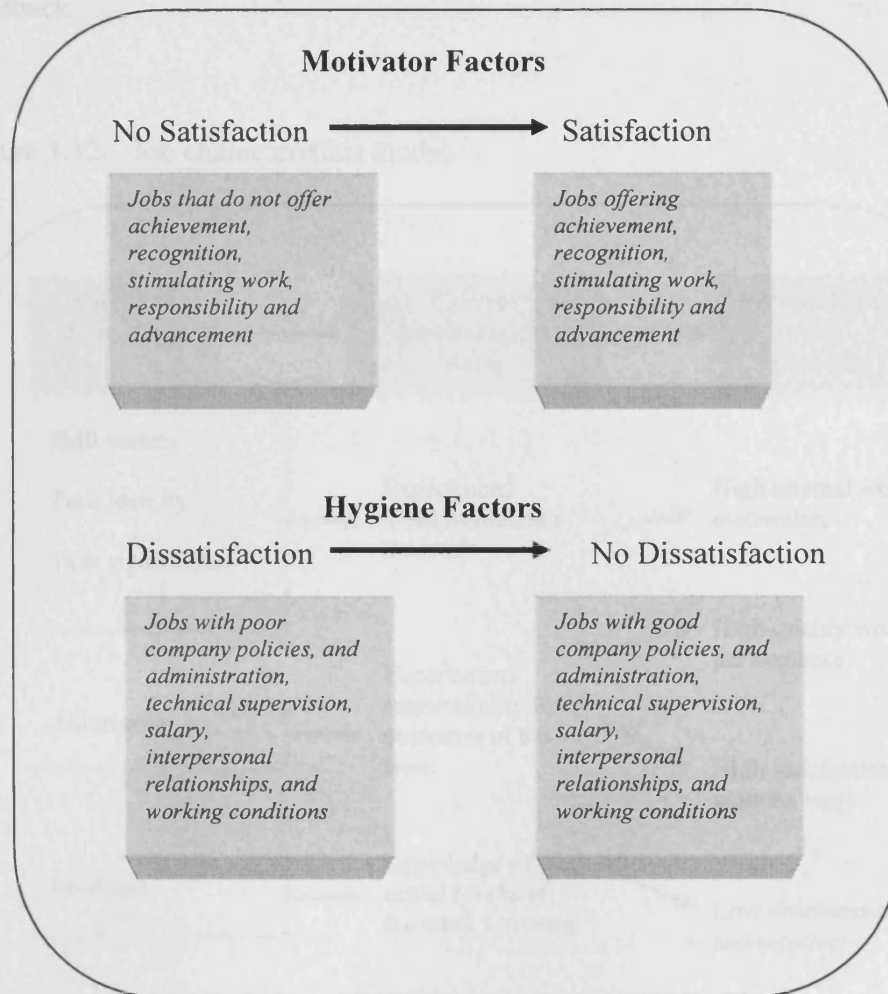
### **3.4.2.1 Theory of hygiene-motivation**

Herzberg's theory of hygiene-motivation predicted that there are two different sets of factors that influence individual's motivation and satisfaction:

- (i) 'Motivators' are job factors that are work related. These factors include recognition, achievement, the possibility for growth and advancement, level of responsibility and the nature of the work itself.
- (ii) 'Hygiene' factors are not directly related to the job itself, but rather are related to the conditions surrounding the job. These include salary, technical support, company policy and administration, working conditions, status, job security, personal life and interpersonal relationships among supervisors, subordinates and peers.

Herzberg (1966) suggests that only job content-related aspects (motivators) lead to satisfaction, whereas job context-related aspects (hygiene factors) lead to job dissatisfaction but not to satisfaction. Figure 3.11 describes that positive satisfaction is due to good experiences, which are based on motivators. Dissatisfaction on the other hand, is due to bad experiences caused by hygiene factors. Moreover, it is interesting to point out that hygiene factors do not increase satisfaction but their absence does cause job dissatisfaction.

Figure 3.11 Herzberg's motivation-hygiene theory



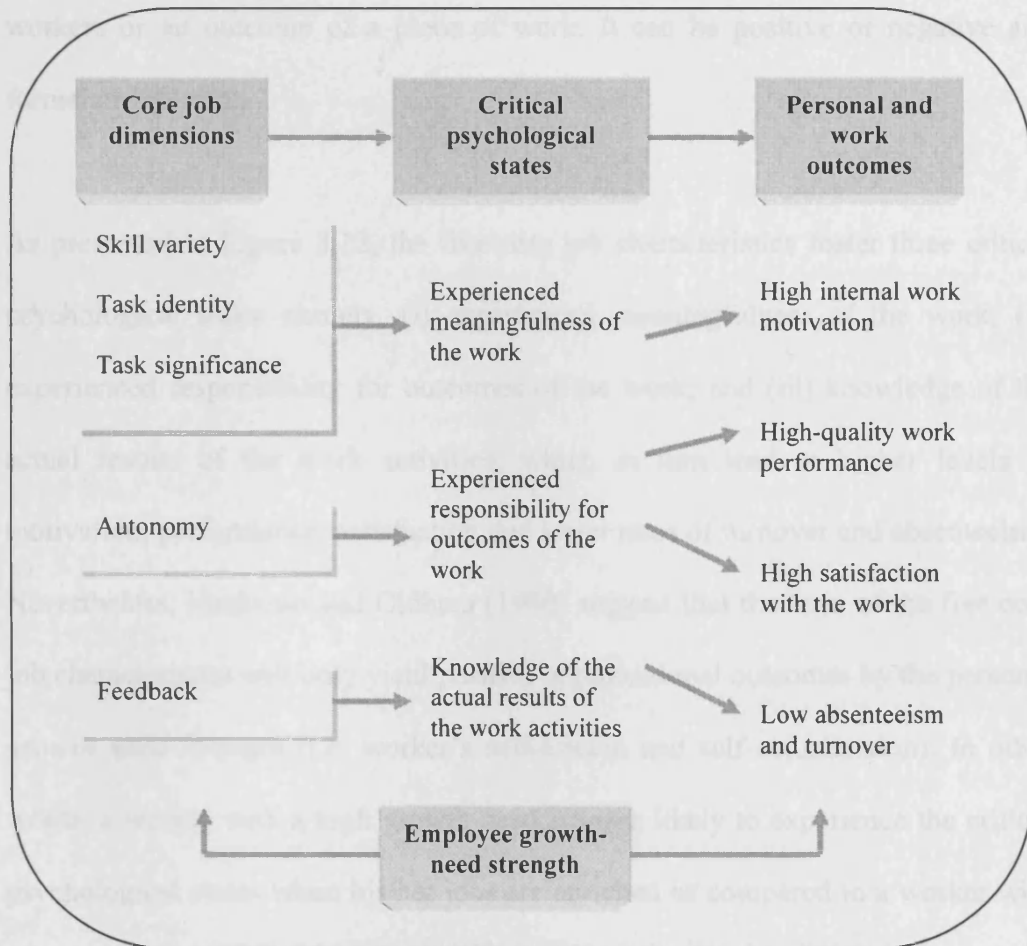
Source: Kreitner and Kinicki (2004)

### 3.4.2.2 Job characteristic model

Hackman and Oldham (1980) expand Herzberg's motivation-hygiene theory and present an alternative theory of job satisfaction called the Job Characteristic Model (JCM). The model proposes five core job characteristics that may act to increase or decrease worker's motivation and satisfaction. As shown in Figure

3.12, these are skill variety, task identity, task significance, task autonomy and feedback.

Figure 3.12 Job characteristics model



Source: Hackman and Oldham (1980: 78-80)

Skill variety refers to the number of differing skills and abilities needed to perform the job. Task identity refers to being able to complete a whole or an identifiable piece of work. Task significance refers to the belief that a worker's job can affect people not only inside the organisation but also outside the organisation. Task autonomy refers to the amount of independence given at work and how much

control is perceived in the workplace. Increased task autonomy creates a feeling of more ownership for actions and more responsibility for decisions. Finally, feedback refers to the degree to which information is gained about performance through performing a job. Feedback may come from a worker, supervisors, co-workers or an outcome of a piece of work. It can be positive or negative and formal or informal.

As presented in Figure 3.12, the five core job characteristics foster three critical psychological states namely, (i) experienced meaningfulness of the work; (ii) experienced responsibility for outcomes of the work; and (iii) knowledge of the actual results of the work activities; which in turn lead to higher levels of motivation, performance, satisfaction and lower rates of turnover and absenteeism. Nevertheless, Hackman and Oldham (1980) suggest that the term of the five core job characteristics will only yield positive organisational outcomes by the personal *growth need strength* (i.e. worker's self-esteem and self-actualization). In other words, a worker with a high growth need is more likely to experience the critical psychological states when his/her jobs are enriched as compared to a worker with a low growth need (Robbins 2005).

### **3.4.2.3 Job satisfaction: Empirical findings**

The consequences of job satisfaction have been found to be very important to an organisation in terms of its efficiency, productivity, worker relations, absenteeism and turnover (Mowday 1981; Wood and deMenezes 1998) and to worker well-being (Godard 2001; Gould-Williams 2004). Job satisfaction was positively



associated with organisational citizenship behaviour (Bateman and Organ 1983) and organisational commitment (Wallace 1995). A study of Clark and Oswald (1996) found that workers' satisfaction had a significant positive relationship with their income. They also found that more highly educated workers reported lower levels of job satisfaction. The empirical evidence in Boselie et al. (1998) revealed that job satisfaction had a significant negative effect on absenteeism.

Guest (1999) found a significant positive relationship between job satisfaction and salary. Delbridge and Whitfield (1999) found a significant negative linkage between job satisfaction and the presence of union in the organisation. They also found that working in the public sector showed a significant negative linkage to job satisfaction. Yousef (1999) investigated the impacts of Islamic work ethic on job satisfaction in the United Arab Emirates. He found that Islamic work ethic had a positive significant relationship with job satisfaction. Yousef (1999) also found a significant positive relationship between job satisfaction and organisational commitment. Gardner et al. (2000) found a significant negative effect between job satisfaction and absenteeism.

Sloane and Ward (2001) and Blanchflower and Oswald (2001) found that workers' age was significantly and positively linked to job satisfaction. They found that older workers were more satisfied than younger workers. Blanchflower and Oswald (2001) also found that married workers and those with children at home were more likely to report higher levels of job satisfaction. Khatri et al. (2001)

found that satisfaction had a negative relationship with turnover intention. Finally, Boselie and Wiele (2002) found that job satisfaction was negatively associated with absenteeism and intention to quit, and was positively associated with workers' age. They also found a significant positive relationship between job satisfaction and female workers and marital status. Female workers were more satisfied with their jobs than male workers. Similarly, married workers and those with children at home were more likely to report higher levels of job satisfaction.

Scholars and practitioners have also investigated the relationship between best practice HRM and performance at both organizational and individual level, and suggested that these practices have the potential to make organisations more cost-efficient and productive, and at the same time increase worker well-being (Cully et al. 1999). Best practice HRM such as selection and recruitment, appraisals, training, team working, communication, worker involvement and pay schemes, have been found to motivate and satisfy workers and generate higher labour productivity and organisational profitability (e.g. Guest 1999; Appelbaum et al. 2000; Godard 2001; Boselie and Wiele 2002; Park et al. 2003; Batt 2004; Gould-Williams 2004; Bartel 2004; Kinnie et al. 2005; Tessema and Soeters 2006).

Based on the 1997 UK survey data, Guest (1999) found that workers who experienced high levels of HRM practices felt more satisfied with their jobs. He found that job satisfaction had significant positive relationships with the psychological contract, salary, involvement, working in the service sector, employed in temporary/fixed term, whereas the relationship between job

satisfaction and education was inverse. Appelbaum et al. (2000) studied the impact of high performance work systems on five worker outcomes in three US different industries. These worker outcomes were trust, intrinsic rewards, organisational commitment, job satisfaction and stress. They found that high performance work systems had a significant relationship with job satisfaction. In particular, Appelbaum et al. (2000) found that opportunity to participate and autonomy over task-level decisions had positive effects on job satisfaction in the steel industry, being mediated by trust and intrinsic rewards. Participation in a self-directed team practices had significant negative effects on job satisfaction among blue-collar workers in the apparel industry. Appelbaum et al. (2000) also found that higher salary had a significant positive effect on job satisfaction. However, workers with more conflict with co-workers; those being required to work overtime, and those working in an unsafe physical environment had lower job satisfaction. Finally, union members were more satisfied than non-union members.

Godard (2001) investigated the effect of alternative work practices (AWPs) on Canadian workers' outcomes. He found that AWP's were significantly related with increased job satisfaction. Guest (2002) examined the relationship between HRM practices, corporate performance and worker wellbeing. He found that HRM practices had a significant association with higher job satisfaction. These practices were keeping people well informed about developments, equal opportunities and family-friendly practices. Guest (2002) suggested that job satisfaction mediated the HRM and performance relationship.

Boselie and Wiele (2002) studied worker perceptions of HRM practices and the effects on worker performance in the Netherlands. They found that HRM practices had a significant positive effect on job satisfaction. Similarly, Park et al. (2003) examined the effects of HRM practices on performance of Japanese subsidiaries located in the US and Russia. They found that HRM practices positively affected workers' satisfaction, which in turn led to higher organisational performance.

Batt (2004) examined the relationships between team-based work systems and worker outcomes for 1200 US workers in a large unionised telecommunications organisation. She found that team-based work systems had a significant positive relationship on workers' satisfaction. Gould-Williams (2004) tested the effects of high commitment HRM practices on worker attitudes in the UK public organisations and found significant positive effect between high commitment HRM practices and job satisfaction.

Bartel (2004) studied the relationship between HRM practices and organisational performance. She found that HRM practices had a significant positive relationship with worker's satisfaction and branch performance. Kinnie et al. (2005) collected cross-sectional data from 18 private sector organisations to investigate the linkage between HRM practices and workers' satisfaction. Workers were grouped into three levels: professionals, line managers and workers. Results showed that HRM practices had a significant positive association with workers' satisfaction. Kinnie et al. (2005) also found that the three worker levels were linked to satisfaction with different combinations of HRM practices. For example, professionals' satisfaction

was significantly linked with performance appraisal, rewards and recognition, involvement, communication and work-life balance. Line managers' satisfaction was linked with career opportunities, rewards and recognition, involvement, communication and work-life balance. Finally, workers' satisfaction was linked with rewards and recognition, communication, openness and work-life balance.

Finally, Tessema and Soeters (2006) examined the relationship between HRM practices and performance in developing countries (i.e. Africa) and found that five HRM practices had a significant increase relationship with satisfaction. These practices were recruitment and selection, training, compensation, grievance procedures and pension/social security programmes. They proposed that satisfaction as one of HRM outcomes, served as a mediator between HRM and organisational performance.

In conclusion, an examination of the effect of best practice HRM on job satisfaction shows that best practice HRM have a positive effect on worker satisfaction. This empirical evidence also shows that other factors such as age, level of income, female workers, educational qualification, Islamic work ethic, psychological contract, type of employment and married workers positively affect workers' satisfaction. Moreover, there is evidence, which found that different levels of worker positively associated with different combination of best practice HRM (e.g. Kinnie et al. 2005).

As regards to union membership, Delbridge and Whitfield (1999) found a significant negative linkage between job satisfaction and the presence of union. However, this result is in contrast with the results of Appelbaum et al. (2000). Furthermore, a finding from Delbridge and Whitfield's study also is in contrast with Guest's (1999) study concerning the linkage between job satisfaction and working in the public sector organisation. While Guest (1999) found a positive effect between these variables, Delbridge and Whitfield (1999) found a negative effect. Thus, the results for union membership and working in the public sector organisation remain inconclusive. On the basis of job satisfaction theories and the empirical findings provided above, I propose that best practice HRM are positively associated with job satisfaction. Thus, my second research hypothesis is:

*Hypothesis 2a: 'Best practice' HRM is positively associated with job satisfaction in England local government organisations.*

*Hypothesis 2b: 'Best practice' HRM is positively associated with job satisfaction in Malaysia local government organisations.*

*Hypothesis 2c: Organisational climate is positively associated with job satisfaction in England local government organisations.*

*Hypothesis 2d: Organisational climate is positively associated with job satisfaction in Malaysia local government organisations.*

### 3.4.3 Organisational citizenship behaviour

Organisational citizenship behaviour (OCB) has received a great deal of attention from organisational behaviour scholars in the last two decades (e.g. Organ 1988, 1997; Podsakoff et al. 2000; Alotaibi 2001; Bommer et al. 2003; Coyle-Shapiro et al. 2004; Evan and Davis 2005). It is believed to improve organisational effectiveness because citizenship behaviours develop the social structure of the organisation (Evans and Davis 2005). As a definition, OCB is referred to as:

*An individual behaviour that is discretionary, not directly or explicitly recognized by the formal reward system and that in aggregate promotes the effective functioning of the organization... By discretionary, we mean that the behaviour is not an enforceable requirement of the role or the job description...the behaviour is rather a matter of personal choice such that its omission is not generally understood as punishment (Organ 1988: 4).*

OCB is an employee's willingness to go beyond the prescribed roles that they have been assigned (Organ 1997). These extra role behaviours according to Organ (1997) are considered as a contribution to the maintenance and enhancement of the social and psychological context that supports task performance in the organisation. In other words, OCB is a voluntary and discretionary individual behaviour and is likely to promote overall organisational effectiveness. It describes actions in which workers are willing to go beyond their prescribed role requirements. For example, an individual displaying OCB will defend the organisation when others criticise it, and assist co-workers with their duties whenever necessary (Podsakoff et al. 2000). Coyle-Shapiro et al. (2004) agree that OCB consists of worker behaviour that has an overall positive effect on the functioning of the organization, which cannot be enforced by the employment contract.

According to Organ (1988; 1997), OCB has three different dimensions: (i) *altruism* – a worker helping specific persons such as colleagues, associates, clients or the boss; (ii) *conscientiousness* – going beyond normal job requirements that are not a formal obligation stated in a job description; and (iii) *courtesy* - consulting others before taking action. Podsakoff et al. (2000) identify seven dimensions of OCB namely, helping behaviour, sportsmanship, organisational loyalty, organisational compliance, individual initiatives, civic virtue, and self-development. Other OCB researchers have also worked out with defining its dimensions. This has resulted in an explosion of OCB dimensions, causing difficulty in finding the exact items comprising the different dimensions of OCB (Podsakoff et al. 2000).

#### **3.4.3.1 OCB: Empirical findings**

OCB has been studied extensively in examining its relationship with worker's attitude and behaviour, and organisational performance. For example, Chen et al. (1998) investigated the relationship between OCB, turnover intention and actual turnover of 205 middle-level managers and technical workers in 11 organisations in the People's Republic of China. Chen et al. (1998) found that job tenure, turnover intention and OCB had a significant effect on actual turnover. In particular, workers who worked longer in the organisations were more likely to leave; workers who had stronger intentions to leave were more likely to quit; and workers who showed low levels of OCB were more likely to leave the organisation. Chen et al. (1998) concluded that turnover intention and OCB were predictors of actual worker turnover.



MacKenzie et al. (1998) investigated the relationship between 672 salespersons' job attitudes (i.e. job satisfaction and organisational commitment), role perceptions (i.e. ambiguity and conflict), in- and extra-role behaviour (i.e. OCB) and turnover. They found that the relationship between job attitudes and turnover was mediated completely by extra-role performance. The three aspects of OCB measured extra-role performance: (i) helping behaviour, (ii) sportsmanship and (iii) civic virtue.

In a longitudinal study using an aggregate measure of OCB, Koys (2001) found that OCB was significantly and positively related to organisational effectiveness in a sample of 28 organisations. Alotaibi (2001) studied the effects of procedural and distributive justice, job satisfaction and organisational commitment on OCB in six Kuwait public organisations. He found that procedural and distributive justice, job satisfaction and organisational commitment had a positive relationship with OCB.

Coyle-Shapiro et al. (2004) collected data from 387 hospital workers to study two explanations for why workers engage in OCB. They isolated two main reasons: (i) workers displayed OCB as they reciprocated fair or good treatment from the organisation; and (ii) workers considered OCB as part of their job. Their results found that procedural and interactional justice are positively associated with mutual commitment that in turn is related directly to OCB. They argued that both the reciprocation and *it's my job* arguments complement each other and provide a more complete foundation for an understanding of OCB.

As regards to best practice HRM, studies have found that best practice HRM had significant positive effects on OCB (e.g. Cappelli and Rogovsky 1998; Hui et al. 2000; Ghorpade et al. 2001; Pare and Trembley 2004). Cappelli and Rogovsky (1998) examined the perceptions of workers and supervisors in eight organisations regarding employment practices and OCB. The employment practices were staffing, promotion decisions of co-workers, selection, training and safety. They found that involvement in employment practices had small positive effects on OCB.

Hui et al. (2000) studied the relationship between promotion practice, perceived instrumentality of OCB for promotion and workers' OCB before and after promotion from 293 tellers of a multinational bank. They found that OCB had a significant positive relationship with promotion practice. Ghorpade et al. (2001) examined the relationship between employee involvement in management and work values: altruism/OCB, pride in craftsmanship, collectivism and individualism. Six altruism items designed by Organ (1988) measured the altruism/OCB. They found that employee involvement had a significant positive relationship with altruism/OCB.

Pare and Trembley (2004) tested the influence of high involvement HR practices, procedural justice, organisational commitment and citizenship behaviours on 394 IT professionals' turnover intention. They identified a multinational set of HRM practices that were likely to increase retention and considered OCB and organisational commitment as main antecedents of turnover intentions. The

practices identified were information sharing, recognition, procedural and distributive justice, empowerment, competence development and work-life. Results found that high involvement HR practices had a significant positive relationship with OCB.

In sum, all empirical findings provided in the above paragraphs showed that best practice HRM are positively related to OCB. Moreover, the evidence shows that OCB is positively related to job satisfaction, organisational commitment and organisational performance; and negatively related to intention to quit and actual turnover. OCB is reported as a predictor for actual turnover along with job tenure and turnover intention. OCB was also found as a mediating factor between job satisfaction and turnover, and between organisational commitment and turnover. Accordingly, based on theories and the empirical findings discussed, I expect that best practice HRM are positively associated with OCB. Accordingly, based on this review, I shall empirically test my third hypotheses:

*Hypothesis 3a: 'Best practice' HRM is positively associated with organisational citizenship behaviour in England local government organisations.*

*Hypothesis 3b: 'Best practice' HRM is positively associated with organisational citizenship behaviour in Malaysia local government organisations.*

*Hypothesis 3c: Organisational climate is positively associated with organisational citizenship behaviour in England local government organisations.*

*Hypothesis 3d: Organisational climate is positively associated with organisational citizenship behaviour in Malaysia local government organisations.*

### 3.4.4 Stress

It is argued that work pressure can be a good thing leading to increased productivity. However, when this work pressure becomes excessive, stress is caused. In the long term, the physical symptoms of stress are disadvantageous to good health and will affect job performance (Cooper et al. 1988). The problems occur when the stress on an individual seems to be overwhelming or out of control in which case they perceive themselves as being unable to cope and not to possess the necessary skills to combat their stress (Health and Safety Executive 2001).

The concept of stress has been defined in a variety ways. According to the National Institute of Occupational Safety and Health (1999), stress refers to the harmful physical and emotional responses, which occurs when workers are incapable of achieving their job requirements. Stress, as Palmer et al. (2004) state occurs when the perceived pressure exceeds one's perceived ability to cope.

Based on the theory of person-environment (P-E) fit, there are two types of fit between the person and his/her job environment: (i) the extent to which the person's skills and abilities match the demands and requirements of the job; and (ii) the extent to which the needs of the person are supplied in the job environment. Thus, the key idea of the P-E fit theory is,

*when person-environment misfit of either kind threatens an individual's well-being, stress will occur and manifestations such as job dissatisfaction, anxiety, depression, and psychological problems will follow" (French et al. 1974: 128).*

According to West and West (1989), the definition of stress by Beehr and Newman (1978) was based on the P-E fit theory, which described stress from either negative or positive conditions:

*Job stress is a condition wherein job related factors interact with the worker to change (disrupt or enhance) his/her psychological or physiological condition such that the person (mind and/or body) is forced to deviate from normal functioning (Beehr and Newman 1978, In West and West 1989: 47).*

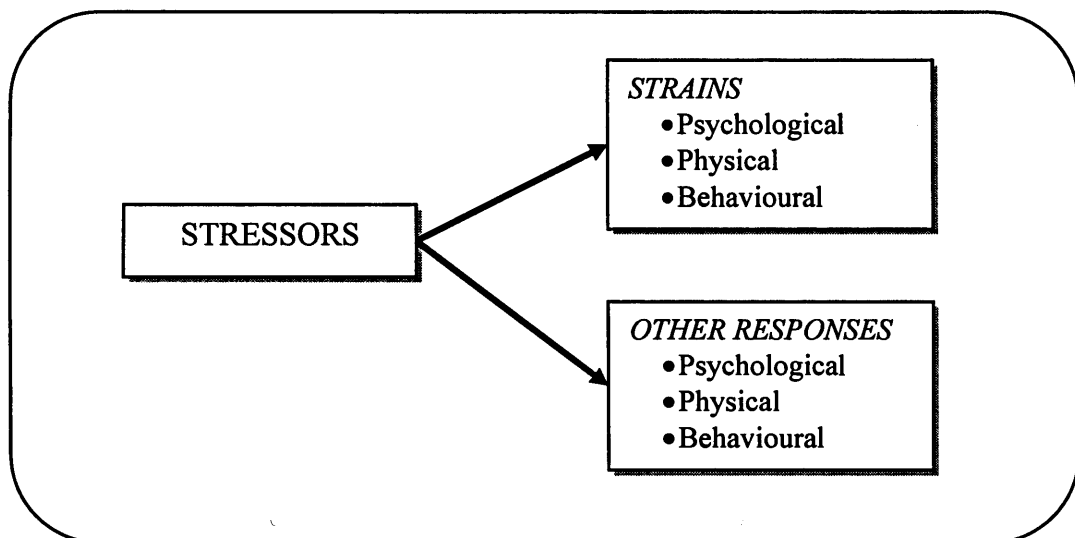
Cox (1978) defines stress as a stimulus, a response or the result of an interaction between the two, with the interaction described in terms of some imbalance between the person and the environment. This definition is similar to Jex (1998: 2) who defines stress in three ways:

- (i) *A stimulus definition: Stress refers to those stimuli in the environment that may require some adaptive response on the part of an worker;*
- (ii) *A response definition: Stress refers to the feelings that one experiences when the demands of the job exceed one's ability to cope; and*
- (iii) *A stimuli-response definition: Stress refers to the overall process by which job demands impact workers.*

Figure 3.13 presents Jex's (1998) basic process by which stressors may lead to strains and other responses. Stressors, as Jex (1998) described indicate job/organisational conditions that may require adaptive responses from workers, which in turn may cause strains, and other responses. In other words, strains are negative ways of workers' responses when faced with stressors. If workers' responses are positive or neutral then, it is not considered as strain (Jex 1998). For example (Jex 1998; Cooper 2001):

- (i) Physical – such as raised blood pressure, heart disease, tenseness, tiredness, appetite disturbance, headaches, light-headedness and the emergence symptoms in any system in the body;
- (ii) Psychological – such as impairment of perception, concentration, memory, judgement, decisiveness, accuracy, motivation and creativity; increased use/dependence on caffeine, alcohol or drugs may occur; anxiety, anger, frustration, moodiness, irritability, loss of pleasure and interest, despair, depression and impaired sleep; and
- (iii) Behavioural – such as attendance can become either excessive or extremely poor; timekeeping can become erratic; performance can be impaired and the level of accidents rises.

Figure 3.13 A basic process of stress



Source: Jex (1998: 3)

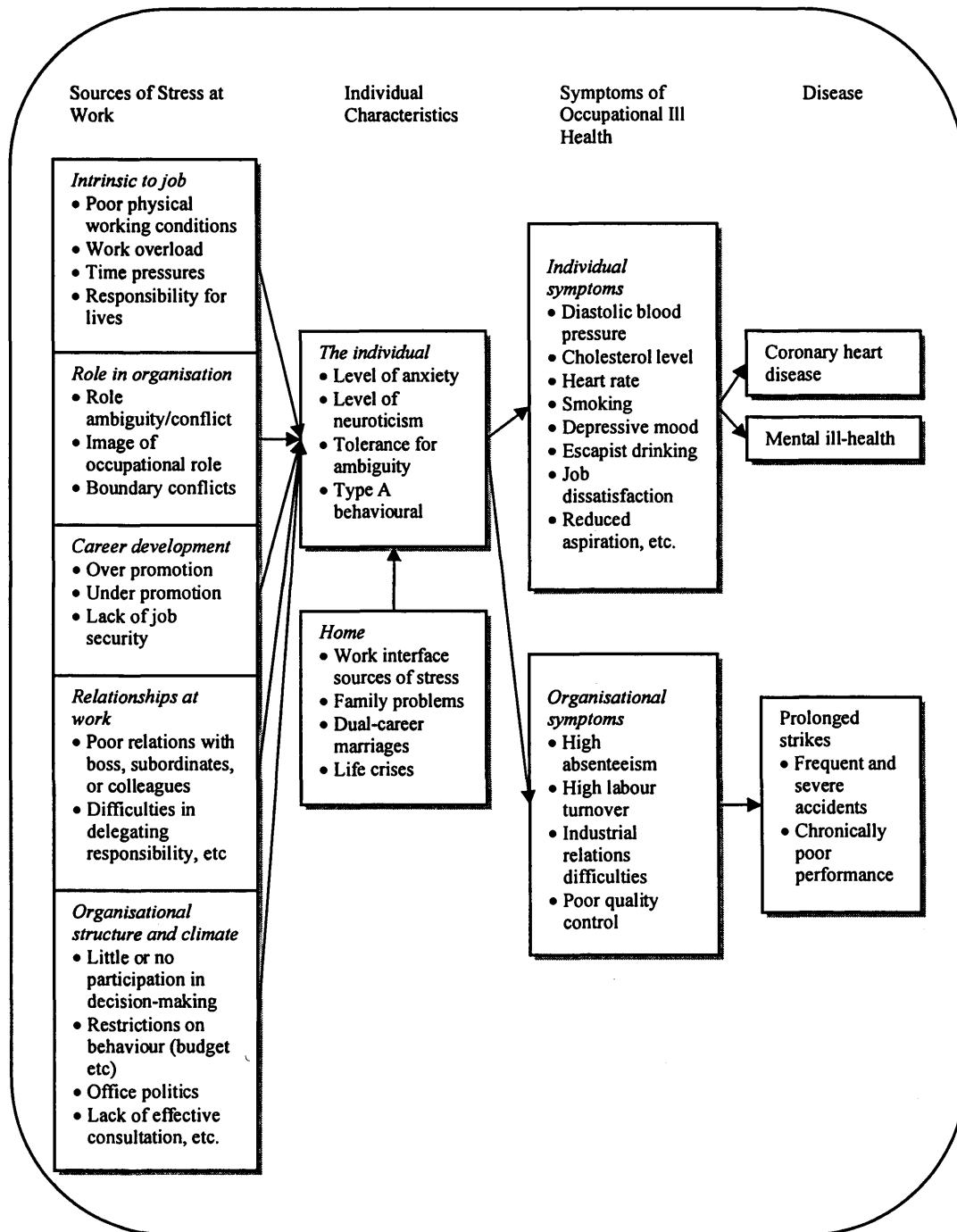
Cooper et al. (2001) describe stress as not only as stimuli and as response but also as an interaction between the stimuli and the response. According to them, stress is the overall transactional process. The term transaction refers that stress is an ongoing process that involves individuals interacting with their environments, making appraisals of those encounters and attempting to cope with the issues that arise. In other words, stress is neither in the person nor in the environment but in the relationship between the two and it is a dynamic cognitive state (Cooper et al. 2001). Cooper et al. (2001) further identify three components of the stress process:

- *Stressors* - the events or properties of events (stimuli/causes) that are encountered by individuals;
- *Strains* - the individual's psychological, physical, and behavioural responses to stressors; and
- *Outcomes* - the consequences of strain at both the individual and the organisational level.

Figure 3.14 shows a model of stress at workplace. As showed in Figure 3.14, the model indicates the potential sources of stress in the workplace, the symptoms of stress and the outcomes/consequences of stress as proposed by Cooper (1986). Each individual is exposed to a range of stressors both at work and in their personal lives. There are five categories of potential stressors of psychological and occupational stress, which include factors intrinsic to the job, the role of the individual in the organisation, the relationships and interpersonal demands of the work environment, career development, and the organisational structure and climate. These stressors may cause symptoms of occupational ill health at both the

individual and organisational level; and subsequently may result in various types of disease such as coronary heart disease, ongoing strikes, and poor performance.

Figure 3.14 A model of stress at workplace



Source: Cooper (1986) In Hurrell et al. (1988: 6)



#### **3.4.4.1 Stress: Empirical findings**

Various scholars have discussed empirical evidence that lends some support for work pressure and stress. For example, Hurrell et al.'s (1988) studies have shown that those with flexible personalities (i.e. individuals who were more open to influences from other people and thus more possible to become overloaded) experienced high levels of tension in a high conflict situation. Also, introverts reacted more negatively and suffered higher tension than extraverts. Hurrell et al. (1988) also found that the number of hours, which an individual works, could lead to stress. In particular, working long hours or overtime may result in work overload, which later can create stress. Besides that, a worker who struggles to do a very difficult job is expected to take more time to complete the job and may require working extra hours to get to a satisfactory level.

West and West (1989) examined job stress in three public sector occupations: nurses, police officers and air traffic controllers. Their results found that some job stressors experienced by the workers were common to all three occupations while others were unique to one occupation. For example, in all three occupations, workers had a high level of responsibility for the well-being of others and needed need to make life-and-death decisions. Thus, these responsibilities imposed stress on them on how the work is done. West and West (1989) also found that the symptoms of stress were quite similar across occupations such as, headaches, depression, mood swings, alcoholism and family problems.

Peterson and Smith (1995) studied the relationship between role stresses (i.e. role conflict, role ambiguity and role overload) and its predictors (i.e. power distance, individualism, uncertainty avoidance and masculinity) across countries. They found that role stresses varied more by country than by personal and organisational characteristics. Power distance and collectivism had a significant negative relationship with role ambiguity but a significant positive relationship with role overload.

Korunka et al. (1995) found that the introduction of new technologies is related to changes in worker job satisfaction and physical health or stress. Zhou and Ferris (1995) and Ferris et al. (1996) found strong relationships between worker's perceptions of a negative political climate within their organisation and their experience of psychological strain. Cartwright and Cooper (1997) found that business executives and managers experience the pressures of keeping up with new technology. Cropanzano et al. (1997) found a significant relationship between organisational politics and workers' levels of strain.

Sparks et al. (1997) revealed small but statistically significant correlations between overall health symptoms, both physiological and psychological health symptoms, and hours of work. They found that workers who worked excessive hours showed more symptoms of ill health than workers who worked fewer hours. Guest (1999) found that pressure was associated with employees who work longer hours, had poor psychological contracts and earned a low income. Moreover, female workers were found to experience greater levels of work pressure.

On the basis of the *Bristol Stress and Health at Work*, Smith (2001) found that workers from the sample had very high or extremely high levels of stress at work, which were affected by working over time, stressful working conditions and impaired physical (e.g. digestive problems and headache).and mental health (e.g. anxiety and depression). Smith (2001) also found that workers who were divorced/separated/widowed, aged between 41-50 years old, had degree level of education, earned £20,000 and more salary, and employed as full-time reported the highest incidence of stress. In a study of the relationship between stress and absenteeism on 108 Dutch social services workers, Giebels and Janssen (2005) found that stress at work had a significant positive relationship with absenteeism.

As regards to best practice HRM, previous studies also lend some support for the relationship between best practice HRM and work pressure/stress (e.g. Ramsay et al. 2000; Appelbaum et al. 2000; Godard 2001; Kalleberg and Berg 2002). Ramsay et al. (2000) tested the relationship between 24 high performance work practices and performance. The practices used included recruitment and selection, training, communication, performance-related pay, performance appraisal and grievance procedures. They found that the high performance work practices were positively related to job strain or stress.

Appelbaum et al. (2000) studied the impacts of high performance work practices on worker performance in three different industries in the US and reported that communication practices had a significant positive effect on role overload and job stress in steel industry. Godard (2001) examined the relationship between

alternative work practices (AWPs) and work experience (i.e. workload and stressfulness) and work outcomes in 508 employed Canadians. He found that AWPs had a positive relationship with stressfulness thus; he suggested that AWPs are related to more stressful working environment. Godard (2001) also found that the effects depended on the individual practices. For example, traditional teamwork was associated with lower levels of stressfulness whereas teams with responsibility for specific products/services had associated with higher levels of stressfulness.

Using 4,109 UK employees across the steel, apparel and medical electronics industries, Kalleberg and Berg (2002) examined the effect of high performance work practices on job stress. They found that both vertical and horizontal communication and opportunity to participate had a significant positive relationship with stress in the steel industry. Thus, workers experienced that these practices were burdensome for them.

In overall, the above empirical evidence indicates that best practice HRM are positively related to work pressure and stressful working environment. Evidence also indicates that factors such as new technology, flexible personalities, working long hours, high levels of responsibility and difficult job could create work pressure and stress in the organisation. Furthermore, workers who were divorced/separated/widowed, female workers, employed as full-time and aged above 41 years old are reported to suffer higher work pressure and stress. Subsequently, these worker outcomes affect performance such as high

absenteeism and labour turnover, job dissatisfaction, low trust, poor psychological contract, industrial relations difficulties, poor quality control and low productivity.

Therefore, build on the above theories and empirical evidence, this research expects that:

*Hypothesis 4a: 'Best practice' HRM is positively associated with stress in England local government organisations.*

*Hypothesis 4b: 'Best practice' HRM is positively associated with stress in Malaysia local government organisations.*

*Hypothesis 4c: Organisational climate is positively associated with stress in England local government organisations.*

*Hypothesis 4d: Organisational climate is positively associated with stress in Malaysia local government organisations.*

### **3.4.5 Intention to quit**

Intention to quit refers to individuals' perceived possibility that they will be leaving the organisation (Griffeth et al. 2000). In other words, intention to quit is a worker's decision to leave an organisation (Grant and Wagar 2004). It is also refers to turnover intention (Khatri et al. 2001; Kim 2005), a quit or voluntary turnover (Grant and Wagar 2004), intention to quit (Gould-Williams 2003), or phrased oppositely as intention to remain (Robinson and Morrison 2000). Intention to quit is different from actual turnover (Vandenberg and Nelson 1999),

but is used as an alternative measure of actual workers' turnover (Vandenberg and Nelson 1999; Barrick and Zimmerman 2005). It is the best overall predictor of turnover suggesting that workers who have made up their minds to quit the organisation would not easily be dissuaded (Griffeth et al. 2000).

### **3.4.5.1 Intention to quit: Empirical findings**

Previous research has found that intention to quit is inversely related to job satisfaction, organisational commitment and OCB. For example, Chen et al. (1998) found that OCB had a negative relationship with intention to quit. They argued that workers with low levels of OCB are more likely to quit an organisation. In terms of antecedent factors of intention to quit, Khatri et al. (2001) examined three sets of antecedents of intention to quit in three Singapore industries: retail, food and beverage, and marine and shipping. Their results found that age and educational level were unimportant in predicting intention to quit. In other words, there was not much evidence for the belief that younger and more educated Singaporeans have greater intention to quit. Moreover, they found that tenure and level of income were negatively related with intention to quit; males had greater intention to quit than females; and managers showed greater intention to quit than non-managers. Khatri et al. (2001) also found that job satisfaction, satisfaction with pay, satisfaction with supervision, and organisational commitment had a strong significantly negative relationship with intention to quit.

Aryee et al. (2002) studied the relationship between organisational justice and work outcomes in India. They found that distributive and procedural justice had

significant negative relationship with intention to quit, and this relationship was mediated by trust. Giebels and Janssen (2005) investigated whether conflict stress affects intention to quit in 108 Dutch workers. As they anticipated, conflict stress was positively related to intention to quit.

As to best practice HRM, research previously also revealed that best practice HRM negatively influence intention to quit. For example, Boselie and Wiele (2002) examined worker perceptions of HRM and TQM and their effects on satisfaction and intention to quit. The study found that a significant positive perception of individual workers on the HRM/TQM concepts lead to a higher level of satisfaction and less intention to quit the organisation. Specifically, perceived high wages, support of direct supervisor and information sharing were negatively associated to intention to quit. Furthermore, job satisfaction is negatively associated to intention to quit. Thus, Boselie and Wiele (2002) concluded that employers should create demanding jobs, supportive management and a coaching style of management, provide clear views of the organisation's objectives, and a good payment structure in order to promote retention.

Using regression analyses, Gould-Williams (2003) studied the impact of HR practices on worker outcomes and perceived organisational performance in public organisations. He found that HR practices were negatively related to intention to quit. Grant and Wagar (2004) studied the relationship between HRM practices, worker voice and intention to quit. They found that a high commitment to HRM

practices, a positive workplace climate, the presence of a grievance procedure and trade union membership were significantly related with lower intention to quit.

Hartog and Verburg (2004) collected cross-sectional data from 175 Dutch organisations to test whether high performance work practices employed by the organisation can be empirically combined into high performance work systems and how they associate to several performance measures. They found that the set of practices labelled “Worker skill and direction” and several of the other practices had a significant, inverse relationship with intention to quit.

Pare and Tremblay (2004) used 394 returned questionnaires from IT professionals to test the influence of high involvement HR practices, procedural justice, organisational commitment and OCB on turnover intentions. They found that high involvement HR practices, organisational commitment and OCB had significant negative relationships with turnover intentions. They also found that procedural justice mediates the influence of high involvement HR practices on organisational commitment and turnover intentions. Finally, in a recent study, Tessema and Soeters (2006) collected cross-sectional data from 313 civil servants in Africa to examine the relationship between HRM practices and performance. They found that HRM practices had a significant negative relationship with intention to quit.

In summary, all empirical evidence provided in this section indicates that best practice HRM are negatively linked to workers’ intention to quit. The antecedent factors of intention to quit such as age, gender, educational qualifications, tenure,



levels of income, levels of worker, workplace climate and trade union; have found to have a negative relationship with intention to quit in previous research. The empirical evidences also indicate that intention to quit is negatively related to job satisfaction, OCB and organisational commitment; and is positively related to stress. Therefore, on the basis of empirical evidence provided, relating to best practice HRM and intention to quit, my fifth research hypothesis is:

*Hypothesis 5a: 'Best practice' HRM is negatively associated with intention to quit in England local government organisations.*

*Hypothesis 5b: 'Best practice' HRM is negatively associated with intention to quit in Malaysia local government organisations.*

*Hypothesis 5c: Organisational climate is negatively associated with intention to quit in England local government organisations.*

*Hypothesis 5d: Organisational climate is negatively associated with intention to quit in Malaysia local government organisations.*

### **3.4.6 Trust**

Trust has received much attention from scholars. It has been defined from different perspectives, for instance, trust is seen as “*a positive expectation that another will not act opportunistically, whether through words, actions or decisions*” (Robbins 2005: 356). It has also been described as “*the lubrication that*

*makes it possible for organisations to work*” (Bennis and Nanus 1985: 43). Table 3.5 provides a summary of the definitions of trust.

Table 3.5 A summary of the definitions of trust

Scholar (s)	Definition of trust
Rotter (1967)	<i>An expectancy held by an individual or group that the word, promise, verbal or written statement of another individual or group could be relied upon</i>
Cook and Wall (1980)	<i>The extent to which one is willing to assign good intentions to and have confidence in the words and actions of other people</i>
Hunt and Morgan (1994)	<i>Trust exists when one party has confidence in an exchange partner’s reliability and integrity</i>
Gilbert and Li Ping Tang (1998)	<i>Organisational trust is feeling of confidence and support in an employer... organisational trust refers to employee faith in corporate goal attachment and organisational leaders and to the belief that ultimately, organisational action will prove beneficial for employees</i>
Rousseau et al. (1998)	<i>Trust is a psychological state comprising the intention to accept vulnerability based upon positive expectations of the intentions or behaviour of another</i>

Source: Laka-Mathebula (2004: 23)

Although different scholars have proposed different perspectives of trust, several commonalities can be identified. For example, Rousseau et al. (1998) claim that the definitions reflect three main aspects of trust:

- (i) Trust in another party reflects an expectation or belief that the other party will act benevolently;

- (ii) One cannot control or force the other party to fulfil this expectation. Trust involves a willingness to be vulnerable and put oneself at risk in that the other party may not fulfil their expectation; and
- (iii) Trust involves some level of dependency on the other party so that the outcomes of one individual are influenced by the actions of another.

According to Robinson (1996), the most widely accepted definition of trust is that proposed by Rousseau et al. (1998). In Rousseau et al.'s definition, trust is viewed as an attitude held by one individual, the trustor (e.g. a worker) toward another, the trustee (e.g. co-workers, supervisor or management). This attitude is derived from the worker's perceptions, beliefs and attributions about the trustee based on his/her observations about the trustee's behaviour (Whitener et al. 1998).

In terms of dimensions of trust, Moorman et al. (1992) isolate two: (i) cognitive and (ii) behavioural. According to them, the cognitive dimension relates to the belief in the partner's reliability or credibility, which comes from his motivation and knowledge. The behavioural dimension of trust is concerned with the act of placing trust in another and implies vulnerability and uncertainty on the part of the trustor. In a similar vein, Ganesan (1994) also isolates two dimensions of trust: (i) credibility, that depends on the trustor's belief that the trusted has the required expertise to carry out his/her role effectively and reliability; and (ii) benevolence, which is based on the trustor's belief that the supplier acts because of intentions that are beneficial to the trustor.

Other than cognitive and behavioural dimensions of trust, scholars also differentiate between cognitive and affective dimensions. McAllister (1995) find that trust is based on both knowledge (i.e. a cognitive-based trust) and feelings or emotions (affect-based trust) that the trustor has in dealing with the trustee. Trust can also be differentiated along lateral and vertical dimensions. For example, McCauley and Kuhnert (1992) describe lateral trust as trust relations among peers who share a similar job situation, and vertical trust as trust relations between individuals and their immediate supervisor, top management or the organisation as a whole.

In terms of the referents of trust within an organisation, Dirks and Skarliski (2002) claim that it is important to know which referents can be most relevant for obtaining outcomes such as performance, organisational citizenship and organisational commitment. Workers can trust co-workers but do not trust their supervisors, or they can trust top management and not the work unit and they can results in different outcomes (Carnevale and Welchsler 1992).

McCauley and Kuhnert (1992) show that research can examine trust among peers, between worker and supervisor, management and others. Thus, Dirks and Skarliski (2002) propose that supervisors, subordinates, co-workers and top managers can be the referents of trust within an organisation.

### **3.4.6.1 Trust: Empirical findings**

Trust plays a key role in the successes of HRM activities (Whitener 1997). It has been found that trust has significant positive relationships with best practice HRM and organisational performance (e.g. Mishra and Morrissey 1990; McCauley and Kuhnert 1992; Whitener 1997; Whitener et al. 1998; Appelbaum et al. 2000; Dirks and Ferrin 2001; Kalleberg and Berg 2002; Gould-Williams 2003; Tzafrir 2005). For example, the findings of a survey by Mishra and Morrissey (1990) of West Michigan managers suggested that organisational effectiveness was dependent on trust. Trust was found to increase productivity and growth, develop credibility to an organisation and increase repeat business and customer loyalty, and lead to effective decision making. McCauley and Kuhnert (1992) showed that HRM practices such as participation in decision-making, autonomy, feedback, supportive supervisor behaviour, communication, job security, performance appraisal and professional development significantly explained trust in management.

In 1997, Whitener examined the impact of HRM activities on worker trust. These HRM activities were participation and involvement, communications, education and training, selection and testing, grievance procedures, profit sharing, information sharing and job analysis. She found that HRM activities affected the development of worker trust. Trust was a mediator between HRM activities and worker outcomes. She also suggested that social exchange theory could provide the basis for predicting how HRM practices affect workers' trust at different levels.

Whitener et al. (1998) found that HRM policies and practices and leadership within the organisation are related to the development of trust. They claimed that the levels of trust within an organisation could facilitate the successful implementation of HRM practices. Thus, the effectiveness of HRM policies and practices is dependent on worker's trust of management (Whitener et al. 1998).

Trust provides a basis for security and confidence in the intentions and actions of supervisors, managers and organisational leaders. For example, Jones and George (1998) and Appelbaum et al. (2000) reported that workers who trust their managers have confidence that managers will not harm them or overly put them at risk. Appelbaum et al. (2000) also reported that worker's trust had a significant positive association with pay for performance and a negative association with overall job stress.

According to Dirks and Ferrin (2001), trust affects workers' level of cooperation, positive attitudes, and other forms of workplace behaviour. Boselie et al. (2001) found that training and development, perceived high wages, worker participation and information sharing had a significant positive relationship with trust in decision-making and perceived worker job security. Whitener (2001) explored the relationships among HRM practices; trust in management and organisational commitment from 1689 US workers. She found that HRM practices affected the relationship between perceived organisational support and trust in management. Trust in management partially mediated the relationship between perceived organisational support and organisational commitment. Whitener (2001) also

found that worker's trust affected their perception of the accuracy and fairness of HRM practices. Workers have been found to be concerned about procedural and distributive justice when HR practices are used to determine outcomes such as promotion, rewards and training. When the implementation of HRM practices is perceived to be procedurally fair and the associated benefits fairly distributed, HRM practices have a positive effect on the development of worker's trust in the organisation and management (Whitener 2001).

Kalleberg and Berg (2002) studied trust and high performance work practices in 40 US manufacturing organisations across the steel, apparel and medical electronics industries. Results found that opportunity to participate, autonomy in decision making, and communication were significantly related to trust, whereas work intensification had a significant negative relationship with trust. They also found that trust enhanced organisational performance. Thus, Kalleberg and Berg (2002) suggested that workers who have opportunities to participate in decisions were more likely to trust their managers, whereas workers who were required to work overtime or who perceived that they had too much work to do, were less likely to trust their managers. Higher levels of trust in managers enhanced workers' commitment and satisfaction as well as organisational performance.

Dirks and Skarliski (2002) found that trust in co-workers may lead to work related benefits, such as a greater willingness to share information and help co-workers. Gould-Williams (2003) studied the importance of HR practices and workplace trust in achieving superior performance. He found that HR practices were

powerful predictors of trust and organisational performance. Finally, based on 275 Israeli public and private organisations, Tzafir (2005) found that HRM practices had a significant positive relationship with trust, which in turn increased organisational performance.

In summary, the above empirical evidences indicate that best practice HRM are positively related to workers' trust. More than half of the evidences suggested that trust is a mediating factor between best practice HRM and worker outcomes, which in turn increases organisational performance. The evidence also indicates that trust is negatively related to job stress and work intensification.

### **3.5 Organisational performance**

As explained in the earlier part of this chapter, organisational performance refers to the business performance, which comprises financial performance (e.g. sales growth, profitability, earnings per share, return on asset, return on equity); and operational performance (e.g. labour productivity, market-share, new product introduction, product quality) (Venkatraman and Ramanujam 1986; Locke and Latham 1990; Dyer and Reeves 1995).

#### **3.5.1 Organisational performance: Empirical findings**

Previous research shows that workers' outcomes are associated with organisational performance. For example, absenteeism had a significant negative relationship with organisational productivity (Katz et al. 1985; Arthur 1994) and



organisational profitability (d'Arcimoles 1997). Podsakoff et al. (1997) examined the relationship between OCB and organisational effectiveness in a small workgroup of paper mill workers. They tested three specific OCBs along similar dimensions as those isolated by Organ (1997): (i) altruism/helping behaviour, which is a willingness to help other workers; (ii) civic virtue, which is displaying a sense of responsibility and commitment to the organisation; and (iii) sportsmanship, which is a willingness to tolerate less than ideal circumstances without complaining. The results showed that these three OCBs are important dimensions of OCB in that they had significant positive effects on organisational performance. Podsakoff et al. (1997) argued that when workers were willing to help one another and tolerated obligation on the job, such behaviours contributed significantly to workgroup performance. Koys (2001) also found that OCB was significantly and positively related to organisational effectiveness.

Also in the last decade, empirical research has shown that best practice HRM contribute to perceived organisational performance. Arthur (1994) studied the effects of HR systems on manufacturing performance and turnover. By using the questionnaire survey data of HR managers at 30 U.S. steel minimills, he found that HR systems had a significant positive effect on manufacturing performance. Particularly, the mills with commitment HR systems had higher productivity, lower scrap rates and lower worker turnover.

Kalleberg and Moody (1994) examined the relationship between high performance work organisations and organisational performance. Results

indicated that HR policies and practices often identified with high performing organisations and had a significant positive relationship with organisational performance. In a study of 590 profit and non-profit organisations, Delaney and Huselid (1995) found a significant positive relationship between HRM practices and organisational performance.

Delery and Doty (1996) used questionnaire surveys of 1,050 US bank workers to test HR practices and organisational performance. HR practices were career opportunities, training, appraisal, profit sharing, employment security, participation, and job description. They used two financial indicators: return on average assets (ROA) and return on equity (ROE) to measure organisation performance. Delery and Doty (1996) found that HR practices had a significant positive impact on organisational performance.

Using the data sets from the *1990 UK Workplace Industrial Relations Survey* and the *Employers' Manpower and Skills Practices Survey*, Wood and deMenezes (1998) tested the effects of high commitment management practices on organisational performance. They found that high commitment management practices had a significant positive effect on productivity, labour turnover, employee relations climate and financial performance.

In Russia, Fey et al. (2000) studied the effects of HRM practices on market share, sales growth, quality of product/services and profitability. They found that HRM practices increased market share, sales growth, product/services quality and

enhanced profitability. Bae and Lawler (2000) analysed the HRM practices and organisational performance relationship of 138 MNCs subsidiaries and local organisations operating in Korea by using market-focused measurements such as the growth rate of sales/revenues, product/service quality, and long-run profitability.

Bae and Lawler (2000) found that HRM practices had a significant positive relationship with sales/revenues growth rate, product/service quality and long-run productivity. Adam (2002) collected data from the *1994 US National Employer Survey* to examine the relationship between high performance work systems and organisational performance. He found that formal training programmes and self-managed work teams strongly affected high quality products. Wright et al. (2003) examined the impact of HR practices and organisational commitment on the operating performance and profitability of 50 business units within the same corporation. They found that both organisational commitment and HR practices had a strong positive relationship with productivity, product quality, operating expenses, workers' compensation, sales and profitability. Rodriguez and Ventura (2003) employed a cross-sectional data from 120 manufacturing organisations in Spain to explore the relationship between HRM systems and organisational performance. They found that HRM systems positively related to worker turnover and overall organisational performance. Nevertheless, the compensation practices had a significant negative relationship with organisational productivity.

Bartel (2004) studied the linkage between high performance work practices and organisational performance of the service sector from 160 Canadian bank branches. She used annual sales, capital stock, and number of workers as performance indicators and found that workers' perceptions of high performance work practices had a significant positive linkage with branch performance. In contrast, Panayotopoulou and Papalexandris (2004) found a significant negative relationship between HRM practices and organisational performance in their study of Greek firms.

Michie and Sheehan-Quinn (2005) examined the relationship between HRM practices and corporate performance by using total sales, labour productivity and profitability in UK manufacturing and service-sector organisations. They found that high performance work practices were positively correlated with good corporate performance.

With regards to perceived organisational performance, Harel and Tzafrir (1999) examined the effect of HRM practices on the perceptions of organisational and market performance in both private and public sector organisations in Israel. They found that HRM practices had a significant positive effect on both the perceived organisational and market performance. Gould-Williams (2003; 2004) investigated the effects of HRM practices on employee outcomes and perceived organisational performance in the public sector organisations. He found that HRM practices had significant effects on job satisfaction, motivation, commitment and

intention to quit. Gould-Williams (2003) also found that HRM practices and trust were key predictors of perceived organisational performance.

Galang (2004) studied the relationship between HRM practices and perceived organisational performance in the US, Canada and Philippines. HRM practices used were hiring, training and development, performance appraisal, pay and occupational health and safety. She found that HRM practices were associated with perceived organisational performance in all countries.

Finally, Tzafirir (2005) examined the relationship between trust, HRM practices and firm performance in 104 Israeli leading organisations. He found that organisations that invested more in training, based compensation on performance, supported employee participation, and employed the internal labour market for recruitment, had significantly higher organisational performance. Thus, HRM practices positively related to perceived organisational performance.

In conclusion, more than three quarter of empirical studies provided in this section showed that best practice HRM are positively related to organisational performance. However, of eighteen evidences, two studies were reported that best practice HRM had a significant negative relationship with organisational performance (i.e. Rodriguez and Ventura 2003; Panayotopoulou and Papalexandris 2004). Five evidences were reported that best practice HRM had a significant positive relationship with perceived organisational performance. The

evidences also indicate that worker outcomes such as absenteeism and OCB had a significant positive relationship with organisational productivity and profitability.

Therefore, on the basis of the empirical evidence presented, relating to best practice HRM and perceived organisational performance, my sixth research hypotheses are:

*Hypothesis 6a: 'Best practice' HRM is positively associated with perceived organisational performance in England local government organisations.*

*Hypothesis 6b: 'Best practice' HRM is positively associated with perceived organisational performance in Malaysia local government organisations.*

*Hypothesis 6c: Organisational climate is positively associated with perceived organisational performance in England local government organisations.*

*Hypothesis 6d: Organisational climate is positively associated with perceived organisational performance in Malaysia local government organisations.*

*Hypothesis 6e: Worker motivation is positively associated with perceived organisational performance in England local government organisations.*

*Hypothesis 6f: Worker motivation is positively associated with perceived organisational performance in Malaysia local government organisations.*

*Hypothesis 6g: Job satisfaction is positively associated with perceived organisational performance in England local government organisations.*

*Hypothesis 6h: Job satisfaction is positively associated with perceived organisational performance in Malaysia local government organisations.*

*Hypothesis 6i: Organisational citizenship behaviour is positively associated with perceived organisational performance in England local government organisations.*

*Hypothesis 6j: Organisational citizenship behaviour is positively associated with perceived organisational performance in Malaysia local government organisations.*

*Hypothesis 6k: Stress is positively associated with perceived organisational performance in England local government organisations.*

*Hypothesis 6l: Stress is positively associated with perceived organisational performance in Malaysia local government organisations.*

*Hypothesis 6m: Intention to quit is negatively associated with perceived organisational performance in England local government organisations.*

*Hypothesis 6n: Intention to quit is negatively associated with perceived organisational performance in Malaysia local government organisations.*

### **3.6 Summary**

This chapter has provided a basic concept of performance. In particular, three models of performance have been explained (i.e. the balanced scorecard model, the multidimensional model and the 4logic HRM scorecard model). The balanced scorecard recognises the importance of maximising every dimension of performance such as financial-economical, operational, customers, workers and other stakeholders, rather than simply focusing on financial measures. The multidimensional model considered performance in a broader scope, and justified that the model is important due to the interaction between the need for HRM to contribute to business performance, to the professional rendering of services, and more broadly to society in general. Nevertheless, the 4Logic HRM scorecard



model is more comprehensive as it recognises the importance of measurement of HRM and people related issues. Each of these models advocates multiple measures of performance.

In relation to the theory concerning the relationship between best practice HRM and performance, the literature review isolated expectancy theory of motivation, the AMO theory of performance and the psychological contract theory. The expectancy theory focuses on a main idea that workers' motivation and performance are influenced by their expectations and work experiences. The AMO theory explains that workers' ability, motivation and opportunity to participate affect workers' effort and performance.

Similarly, the psychological contract theory describes that an individual's belief is shaped by the social processes of the organisation in terms of exchange agreement between employer and workers. All these theories focus on worker performance which in turn help to explain how the HRM and organisational performance relationship works.

Finally, this chapter discussed the effects of best practice HRM on worker outcomes and organisational performance. The reviews found that best practice HRM are positively affected motivation, job satisfaction, work pressure, stress, OCB, organisational performance and perceived organisational performance. The reviews also found that best practice HRM are negatively affected intention to

quit. Trust is found to be a mediating factor between best practice HRM and worker outcomes.

Linked to Chapter 2 and Chapter 3, prior empirical research revealed that best practice HRM affect organisational performance significantly. However, majority of the research has been undertaken in Westernised countries with very few studies carried out across countries. In addition, the studies mainly considered the relationships between best practice HRM and performance at organisational level in private sector organisations. Therefore, whether best practice HRM affect performance at individual level, in public sector for non-Westernised countries remains an empirical question for further testing. It is also questionable whether the HRM universalistic perspective is applicable beyond the Westernised countries. Thus, Chapter 4 provides further explanations concerning best practice HRM and performance in non-Westernised countries.

INTERNATIO  
COMPARA  
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## CHAPTER

# 4

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### INTERNATIONAL COMPARATIVE HUMAN RESOURCE MANAGEMENT

International comparative HRM concerns the comparison of best practice HRM in two or more nations and regions around the world, and the objective is to clarify and describe differences between national HRM systems. This chapter aims to explain a concept of international comparative HRM, recent key issues related to current research and several important rationales for examining international comparative HRM research. Theoretical models for international comparative HRM which hold the Asia-Pacific regional perspective and HRM in Malaysia are also described. Finally, this chapter concludes by outlining the empirical evidence concerning comparative HRM policies and practices in various countries.

#### **4.1 Introduction**

The world has become more competitive than ever due to the growth of new markets, new international business blocs such as in Eastern Europe, China, India, South East Asia, and Latin America; and an increased level of competition amongst organisations at both the national and international level (Budhwar and Sparrow 2002a). It has been said that such growing competitiveness in the global arena has forced organisations to seek to gain competitive advantage and one of the possible ways to do it is through the management of human resources in the organisation (Budhwar and Khatri 2001).

As mentioned in Chapter 2, empirical studies concerning the best practice approach to HRM propose that a set of best practice HRM is applicable irrespective of organisational context or business strategy (e.g. Delery and Doty 1996; Wood and deMenezes 1998; Panayotopoulou and Papalexandris 2004; Bartel 2004). However, few have attempted to test the universal application of HR practices across national contexts (e.g. Budhwar and Debrah 2001; Faulkner et al. 2002). Findings from the Westernised countries are unsatisfactory to generalise to other countries due to different cultures, economic situations, labour laws, trade union systems, government interventions and management styles (Brewster 1995; Bowen et al. 2002; Budhwar and Sparrow 2002a, 2002b). Therefore, one of the objectives of this current research project is to determine whether there is such a thing as a uniform set of best practice HRM applicable across national groups regardless of their diverse cultural and institutional characteristics.

Chapter 4 will provide an understanding of international comparative HRM. The chapter will explain the general concept of international comparative HRM research and recent key issues related to the current study. Secondly, a number of important reasons for conducting comparative international HRM research, particularly in developing countries will be raised. Following this, the chapter presents a framework to undertake international comparisons and describes HRM in Malaysia. Finally, Chapter 4 reviews empirical evidence concerning comparative HRM studies in various countries.

## **4.2 International HRM, strategic international HRM and international comparative HRM research**

Before proceeding to a further discussion concerning international comparative HRM research, it is useful to understand the difference between International Human Resource Management, Strategic International Human Resource Management and International Comparative Human Resource Management.

### **4.2.1 International HRM**

International HRM has been defined as:

*...the set of distinct activities, functions and processes that are directed at attracting, developing and maintaining a MNC's [multinational corporation's] human resources. It is thus the aggregate of the various HRM systems used to manage people in the MNC (Taylor et al. 1996: 960).*

*...the process of employing and developing people in international organisations which operate in Europe or globally. It means working across national boundaries to formulate and implement resourcing, development, career management and remuneration strategies, policies and practices which can be applied to an international workforce (Armstrong 2001:129).*

These definitions suggest that international HRM is the process of obtaining, allocating, and effectively utilising human resources in multinational corporations (MNCs). If the MNCs are exporting their products, with only a few small offices in foreign locations, then the task of the international HR manager is relatively simple. In global firms however, the tasks are more challenging. For example, in global organisations international HR managers must: (i) integrate HR policies and practices across a number of subsidiaries in different countries so that their overall

corporate objectives can be achieved (i.e. the control and coordination functions from head quarters) and (ii) must allow flexibility in HR policies and practices at the local subsidiary level (i.e. the host countries) due to different business and cultural settings (Fisher et al. 2002).

Based on the review of 29 leading journals in HRM, Management and Related Social Science that published between 1977 and 1997, Clark et al. (2000) described international HRM as:

- an investigation of HRM within multinational companies;
- involved with issues such as the coordination of human resources within such enterprises;
- the management of expatriates; and
- the transfer of HRM policies and practices from home country facilities to operations in host countries.

Torrington (1994) states that international HRM has the same main dimensions as HRM in local context but with some additional features. It is far more complex from domestic HRM in that: it covers more HR activities; needs a broader perspective; is more involved in workers' personal lives; and deals with varying proportions of expatriates and locals. Thus, the complexity of operating in different countries and employing different nationalities is a key factor that differentiates domestic and international HRM (Dowling et al. 1999).

In terms of best practice HRM, Welch (1994) and Iles (1995) conclude that international HRM are concerned with four key activities: (i) recruitment and selection, (ii) training and development, (iii) compensation, and (iv) the management of expatriates. Nevertheless, Hendry (1994) claims three key activities in international HRM: (i) the management and development of expatriates, (ii) the internationalisation of management throughout the organisation, and (iii) the need to internationalise the whole organisation using a new corporate culture.

Therefore, international HRM is concerned with recognising and understanding how MNCs manage their multi-cultural human resources in order to achieve both local and international competitive advantage (Schuler et al. 2002). In more recent, Evans et al. (2002) state that definitions of international HRM has been extended to include issues such as international coordination, global leadership development, and the emerging cultural challenges of global knowledge management. Thus, this proposes that developing future international leaders is a main concern in the HRM in an international organisation (Scullion and Starkey 2000).

#### **4.2.2 Strategic international HRM**

While international HRM is focused on recognising and understanding the way MNCs manage their multi-cultural human resources in a global firm, strategic international HRM is concerned with linking the international HRM with the



business strategy of the MNCs. Strategic international HRM builds on the concept of strategic HRM which seeks to connect HRM explicitly with the organisation's strategic management process and the best practice HRM coordination (Scullion and Linehan 2005). Based on the work of Pralahad and Doz (1987) and Bartlett and Ghosal (1989), Schuler et al. (1993) proposed an integrated framework of strategic international HRM. This integrated framework concerns with the demands between international coordination and local responsiveness. They argued that this framework can be used to link international HRM explicitly with the business strategy of the MNCs.

As such, Schuler et al. (1993) define strategic international HRM as the:

*HRM issues, functions and policies and practices that result from the strategic activities of multinational enterprises and that impact the international concerns and goals of those enterprises (Schuler et al. 1993: 720).*

Therefore, strategic international HRM links "*international HRM explicitly with the strategy of the MNC*" (Schullion and Paauwe 2005: 23).

### **4.2.3 International comparative HRM**

International comparative HRM on the other hand, concerns the comparison of best practice HRM in two or more nations and regions around the world (Begin 1992). The objective of international comparative HRM research is to clarify and describe broad patterns of national HRM systems (Begin 1992). According to Brewster and Tyson (1991), international comparative HRM research is being conducted in an attempt to gain competitive advantage, increase innovation, and

identify efficient approaches to managing people. It is aimed at gaining an increased knowledge and understanding of the economic and social systems of both local and international organisations. International comparative HRM work is also undertaken to describe how and why differences in best practice HRM affect organisational performance (Brewster and Tyson 1991).

Therefore, international comparative HRM is a related but separate field to international HRM and strategic international HRM which focuses on identifying and understanding the nature of best practice HRM and the differences in best practice HRM between countries (Lansbury and Baird 2004). This leads to the question; can best practice HRM that work effectively in one country be transferred to other countries? (Harris et al. 2004). As Pfeffer (1994; 1998) proposes organisations with best practice HRM, regardless of size, industry or business strategy, should always achieve superior performance outcomes. Other scholars however, found the idea of best practice HRM is not universally applicable due to some factors such as cultural and national background differences (Hofstede 1980; 1993), changes in product markets (Marchington and Grugulis 2000), and business globalisation and internationalisation (Lansbury and Baird 2004; Scullion and Linehan 2005; Tayeb 2005). The following section explains further concerning these factors.

### **4.3 The importance of research in comparative best practice HRM between countries**

As stated in Chapter 1, the objective of this research is to examine the effects of best practice HRM on worker outcomes, by comparing data from the UK and Malaysia local government organisations. This comparative study is needed due to some bases such as the impact of globalisation and internationalisation of business, the influence of Westernised countries, and the differences of national culture between countries. These bases are discussed in the following sections.

#### **4.3.1 Globalisation and internationalisation of business**

The comparative HRM studies appears to be gaining momentum as organisations enter the more dynamic world of international business and globalisation of world markets continues rapidly (Lansbury and Baird 2004). Since an organisation plays an important role in a modern-day environment, scholars and practitioners need to study the varying ways that globalisation and internationalisation of business impact on organisations and their workers (Debrah and Smith 2002). The general interpretation of globalisation is that the world is becoming more uniform and standardised through technological, commercial, cultural and other aspects of life. Several factors are responsible in this regard, such as developments in the fields of transportation, information technology and manufacturing technology, emergence of new markets, trade liberalisation and an increase in foreign direct investments from developed to developing countries (Brewster et al. 1996).

It has been said that previous HRM research is based on data collected from developed countries such as the US, UK, Western Europe and Japan. Therefore, limited research has been conducted in developing countries, particularly in Malaysia (Smith 2003; Chew 2005). However, as foreign direct investment has swung to the developing countries by bringing its share from 23 per cent in mid-1980s to 37.2 per cent in 1997, of 53,000 multinational corporations with 450,000 associates operating around the world, a total of 230,696 associates are now based in the developing countries (Budhwar and Debrah 2001). Thus, there is a lot of research interest in HRM in developing countries in the present day (Austin 1990; Napier and Vu 1998; Kanungo 2000; Budhwar and Sparrow 2002b).

Furthermore, it is important to know that the majority of the world's population live in developing countries, which also play a key role as: (i) significant buyers; (ii) important suppliers of different resources (i.e. both natural and human) to industrialised nations; (iii) competitors to developed countries by having lower labour costs; and (iv) strategic regional centres for the expansion of multinational corporations (MNCs). For example, MNCs began to look towards Indonesia, Malaysia and Thailand for their operations due to lower wages and other cost-related factors (Easterby-smith et al. 1995; Teagarden et al. 1997). This shows that developed and developing countries are now progressively more independent of each other and as such, developments demand further cross-national HRM studies (Budhwar and Debrah 2001). Thus, research in comparative best practice HRM between countries is important due to the increased level of globalisation and the internationalisation of business (Clark et al. 1999; Budhwar and Debrah 2001).

### 4.3.2 The influence of Westernised countries

The influence of Westernised countries is also important to international HRM research. Models of HRM have been developed by scholars for the past 20 years. The majority of these models were developed in the Westernised countries. For example, it has been noted by scholars that American authors produced the most influential early works on the relationship between best practice HRM and performance. American writers have so far dominated the HRM field of study (Guest 1987; Poole 1990; Boxall 1993). Textbooks (e.g. Beer et al. 1984; Fombrum et al. 1984), and popular publications like *In Search of Excellence* (e.g. Peter and Waterman 1982) laid strong emphasis on corporate culture and HRM in American business organisations. Many textbooks on HRM written in the American world frequently spread the view that what is presented as 'best' HRM practice has universal application (Pfeffer 1994; 1998). This suggests that 'best' HRM policies and practices could be transplanted anywhere across the globe (Verburg et al. 1999).

However, Jaeger (1990) argues that the uncritical use of Western management theories in developing countries is not only impractical but results in the creation of negative feelings amongst locals that are associated with the perception of being subject to cultural imperialism. Similarly, Boxall (1995) argues that the assumption of the universality of best practice HRM is implicit or otherwise is hard to defend. He states that the continuing development of the international market has contributed to the belief that successful tools for managing human resources in country X does not necessarily have the same impact in country Y.

Furthermore, Hofstede (1980; 1993) believes that there are no such things as universal management theories. According to some commentators, it may be difficult to implement similar best practice HRM in non-US contexts (Pieper 1990; Verburg et al. 1999; Brewster et al. 2000; 2004). This has been credited to the fact that: *“Americans have developed theories without being sufficiently aware of non-US contexts, models, research and values”* (Boyacigiller and Adler 1991: 263). The US models of HRM have also taken an individualistic approach by concentrating on job analysis, staffing, performance appraisal and compensation, thereby de-emphasizing activities at the group and societal level such as communication, team building and cultural values. Often the moderating effect of culture was not taken into account in models of HRM (Cascio 1995).

Since models of HRM have been developed from restricted samples of human experience, the relevance of lessons learned from the Westernised countries experience is unconvincing (Budhwar and Sparrow 2002a). Therefore, it has now become clear that the study of HRM needs a cross-national comparative dimension and an international perspective (e.g. Kochan et al. 1992; Clark et al. 1999; Brewster et al. 2000; 2004).

### **4.3.3 Different national cultures between countries**

Finally, research in comparative best practice HRM between countries is needed due to the national cultural differential. HRM is becoming more important due to its role as an instrument to coordinate and control the international operations (Bartlett and Ghosal 1991). It is also increasingly viewed as a basic component of

the organisation's overall business strategy (Schuler and Rogovsky 1998). Since HRM is seen as a strategic factor that influences the economic success of a single organisation, one can argue that it is also a strategic factor for the success of an entire nation. However, Adler and Bartholomew (1992) argue that HRM creates a major constraint when organisations try to implement global strategies and this is due to the complexities of HRM policies and practices in different countries and the employment of people with different national backgrounds (Scullion 1994). One of the complexities in coordinating the HRM policies and practices between countries is national culture.

National culture has many definitions in the literature but the most common definition is by Hofstede (1980). Hofstede (1980) defines a national culture as the collective mental programming of the people of any particular nationality. He proposes that people share a collective national character that represents their cultural mental programming. This cultural mental programming shapes the values, attitudes, competences, behaviours, and perceptions of priority of that nationality. Teagarden and Von Glinow (1997) also agree that values, beliefs, norms and HRM systems help to shape the organisational culture and the people who operate within the organisation. Moreover, people are conditioned by the cultural influences at different levels such as family, social group, geographical region, professional environment and national levels.

Piper (1990) found that culture is by no means the only variable, which has an impact on HRM. Since most technologies are available world-wide, Piper (1990)

argues that technology itself no longer forms the single most important determining factor to organisational effectiveness. Rather how technologies are applied has become the vital issue. Whether an organisation is based in the US, UK, India or the Federal Republic of Germany, it makes a considerable difference to its efficiency, even when exactly the same technologies are used. The reason is that workers in different countries are different in regard to their culture and standards of education (Piper 1990). Thus, Boxall (1995) suggests that it is now an accepted fact that best practice HRM are not universal but socially constructed in each society.

On a basis of the above reasons, research in the field of international comparative HRM may yield useful insights which will enable the particular country to explain the complexities of best practice HRM and the influence of national culture. Hofstede (1993), Yuen and Kee (1993), and Schuler and Rogovski (1998) are amongst the researchers who have specifically demonstrated the influence of national culture on HRM policies and practices in their research.

In sum, the importance of examining international comparative HRM is due to: the impact of globalisation and internationalisation of business on organisations and workers; the influence of empirical findings from Westernised countries; and the differential in national culture across countries. Therefore, *“there is a need to understand more thoroughly differences in HRM systems across wider range of cultural and nationalistic boundaries”* (Arvey et al. 1991: 368).



#### **4.4 Key issues in international comparative HRM research**

Linked to the previous sections and according to the extent literature, there are three key issues relating to the study of international comparative HRM. These are:

- (i) the paradigms of universal and contextual HRM;
- (ii) the US and UK models of HRM; and
- (iii) the convergence and divergence in Best practice HRM between countries (Brewster et al. 1995; Claus 2003; Brewster et al. 2004; Harris et al. 2004).

##### **4.4.1 The paradigms of universal and contextual HRM**

The universal paradigm proposes that there is one best way of managing people, regardless of business strategy and national context (Pfeffer 1994; 1995; 1998). As mentioned in Chapters 2 and 3, the majority of the universal paradigm studies have been conducted in the US. However, as the world becomes more globalised, reliance on the US concepts, theories and models is now being questioned (Appelbaum and Batt 1994; Budhwar and Sparrow 2002a).

For example, Appelbaum and Batt (1994) examined four different models of high performance work systems and their impacts on competitiveness. After comparing three models: (i) Japanese lean production model; (ii) German diversified quality production model; and (iii) US high performance work systems model, they found that it was not easy to transfer foreign high performance work systems models to the US because of the differential in social contexts such as unionisation, power

sharing and management attitudes to joint government. Thus, Budhwar and Sparrow (2002a) propose that further testing is needed to investigate whether or not the universal paradigm is applicable in other parts of the world.

While the universal paradigm of HRM focuses on the universal effects of a set of 'best' HRM policies and practices on organisational performance, the paradigm of contextual HRM focuses on the overall understanding of what is different between and within HRM in various contexts and what are the antecedents of those differences. According to Harris et al. (2004), the contextual have more interest in discovering the way labour markets work and what organisations are doing, rather than identifying specific lists of HRM policies and practices and testing its relationship with organisational performance (i.e. universal paradigm). They further argue that at the organisational level, the organisation's objectives and business strategies are not necessarily ideal either for the organisation or society. This is due to the interests of people in organisations not necessarily being the same. Other than it is likely that workers or unions may have different interests and views with the management team, and managers might even have different interests and views amongst themselves (Kochan et al. 1986, Storey 1992). Thus, in studying this issue, the contextual scholars highlight the importance of culture, labour markets, ownership structures, and trade unions, as part of the subject rather than as external influences upon it (Harris et al. 2004).

#### **4.4.2 The US and UK models of HRM**

Previous empirical studies are also shown that scholars are still debating on the issue of the US and UK models of HRM. They argue whether the HRM models from the US and UK are relevant to other research contexts. Some scholars agree that there has been a related tendency for research to be designed in one country and transplanted, as if un-problematically, into another country. They believe that the implementation of a certain set of best practice HRM will improve the organisational performance irrespective of organisation, business strategy or country (e.g. Pfeffer 1998; Ramsay et al. 2000; Bartel 2004; Michie and Sheehan-Quinn 2005).

Moreover, Clark et al. (2000) reviewed 29 years of research findings in the area of international comparative HRM and they found that majority of the studies were used the US and UK models of HRM. From these trends, other scholars such as Brewster et al. (1996), Budhwar and Khatri (2001), and Budhwar and Sparrow (2002) argue that HRM models have tended to remain highly ethnocentric in origin and have tended to focus on prescriptive as opposed to descriptive models. Clark et al. (2000) agreed that this parochialist view provides Westernised countries' perspective. Subsequently, they suggest that the HRM theories and models were developed without being satisfactorily aware of other perspectives. Further research based on the experiences of organisations operating in non-Westernised countries is needed to test the robustness of Anglo-Saxon dominated HRM theories (Budhwar and Sparrow 2002).

#### **4.4.3 Convergence and divergence in best practice HRM between countries**

International comparative HRM research has revealed that there are significant country differences in HRM across national boundaries. These country differences include national cultural and variation in components of the institutional environment such as legal, economic and social (Clark 1996). For example, there are differences between the way HRM is conceptualised and practised in the US and Europe. Since the US culture is more individualistic and achievement-oriented than other countries (Hofstede 1980), they have a broader scope of choice concerning HRM than in Europe (Pieper 1990). It is also argued that HRM concept and practice in the US is anti-union and anti-collective bargaining whereas in Europe, there is a stronger union pressure, although this does vary across European countries (Blanchardflower and Freeman 1990; Brewster and Storey 2000; Brewster et al. 2004). As regards to worker involvement, managerial decisions related to best practice HRM such as recruitment and termination in the US is controlled by management, while in Europe it is controlled by law or trade union. Thus, workers' involvement is higher in Europe than in the US (Brewster 1993; Brewster et al. 2000).

It has also been said that there are significant regional differences within countries (Filella 1991; Brewster and Larsen 1992; 2000; Bures and Vloeberghs 2001). As Bures and Vloeberghs (2001: 54) concluded in their study of eight European organisations:

*...there is no panacea for IHRM [international HRM] to improve organisational effectiveness and competitiveness. Each organisation must develop an approach that fits their specific characteristics and the contingencies of the international business environment and strategy, the orientation of top management, and the administrative heritage and structural and cultural properties (Bures and Vloeberghs 2001: 54).*

Thus, Bures and Vloeberghs (2001) argue for a contextual rather than universal application of HRM models.

Since there are increasing numbers of organisations operating international businesses and interacting with national cultures, scholars are now investigating whether or not there is evidence of convergence in HRM models, theories and practices around the world (Brewster et al. 2004). These scholars attempt to explore the possibility that HRM policies and practices are becoming more similar due to global isolation (Brewster et al. 2000; 2004). In doing so, they proposed two convergence models: (i) the free market US model, and (ii) the institutional European model.

According to Brewster et al. (2000; 2004), the free market US model of convergence believes that workers can be managed efficiently by adopting a specific list of US management practices which is universally applicable. They assume that since the US is a leading country in the world's economy and technology, its management practices represent current 'best practice' and need to be followed by other organisations that wish to be as successful (Brewster 2000). However, this US version of convergence has received criticism from researchers in other countries who argue that such a list is contrary to their experiences and

practices. Therefore, in response to this, scholars have developed the institutional European model of convergence (Bures and Vloeberghs 2001; Budhwar and Sparrow 2002b).

Based on the European model of convergence, organisations in European countries have: (i) less autonomy and freedom of action; (ii) trade unionism is more important; (iii) the social partners have more influence; (iv) legal regulations are more important; and (v) there is a stronger tradition of worker involvement (Brewster 2000; Brewster and Larsen 2000; Bures and Vloeberghs 2001). Although both the market-free US model and the institutional European model of convergence are different from each other, they are similar in terms of selection and training and development practices (Boxall and Purcell 2003; Brewster et al. 2004).

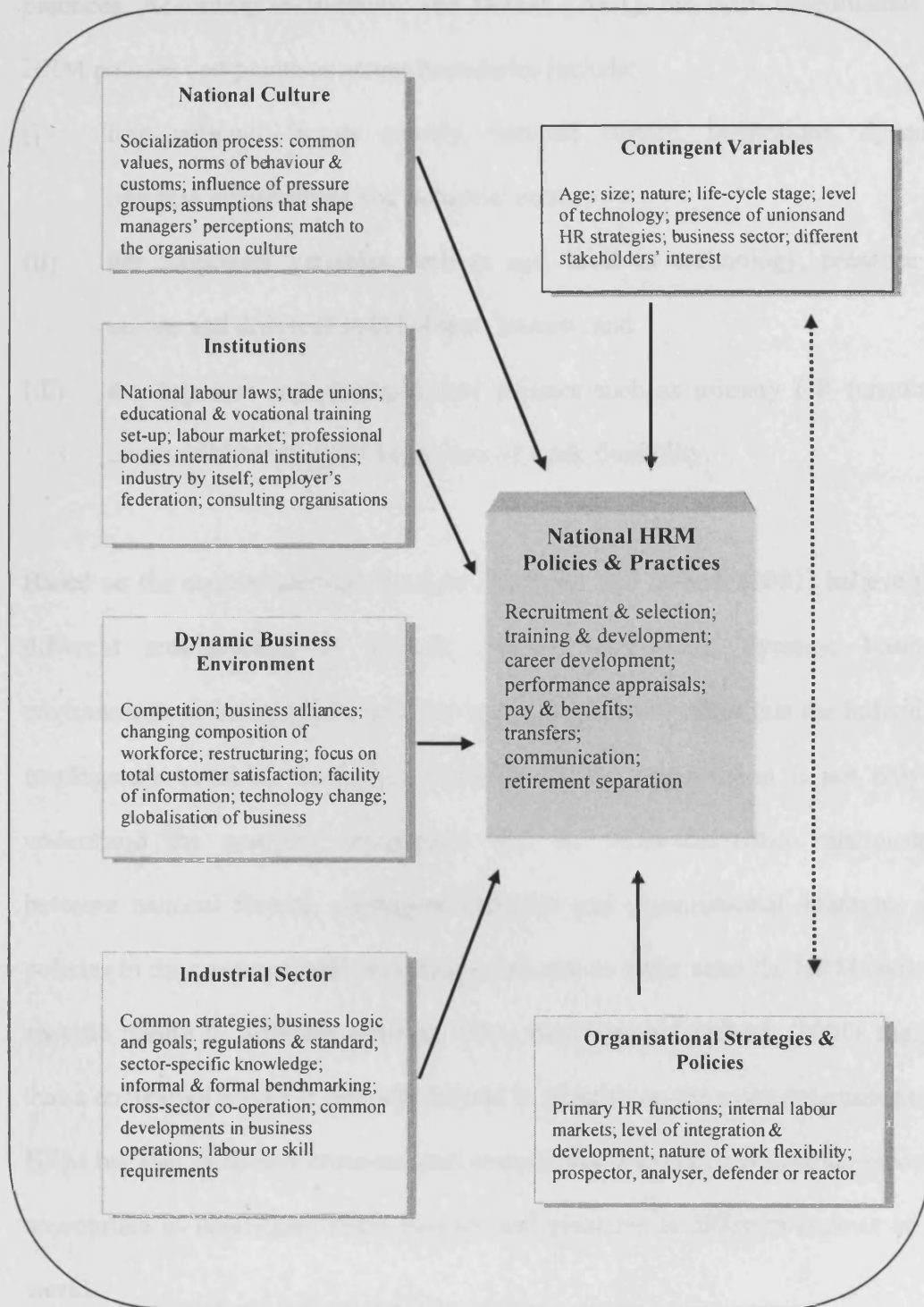
Given that the need to study HRM from other country's perspective has become a dominant theme in the literature and the debates continue (e.g. Brewster et al. 2000; Budhwar and Sparrow 2002a; 2002b; Geppert et al. 2002), Budhwar and Debrah (2001) and Budhwar and Sparrow (2002a) developed models which are suitable for evaluating and comparing HRM policies and practices across boundaries. These models were also developed for examining the main determinants of HRM policies and practices in different regions of the world, and not only in the Westernised countries. They do not however, seek to explain the links between HRM and organisational performance. The following section explains these models.

## **4.5 A model for international comparative HRM research**

### **4.5.1 A contextual model**

In brief, Budhwar and Debrah (2001) developed a contextual model after critically analysing five main HRM models. These included: (i) the Matching Model, (ii) the Harvard Model, (iii) the Contextual Model, (iv) the 5-P Model, and (v) the European Model of HRM (Poole 1990; Boxall 1992; Brewster 1995; Legge 1995; Budhwar 1996; Guest 1997). They examined the applicability of those HRM models in different settings (i.e. national and international levels). They also examined the extent to which HRM has really become strategic in different parts of the world, and the main factors and variables, which determine HRM in different settings (see Figure 4.1).

Figure 4.1 Contextual model of factors determining HRM policies and practices



Source: Budhwar and Debrah (2001: 505)



Figure 4.1 presents a contextual model of factors determining HRM policies and practices. According to Budhwar and Debrah (2001), the main determinants of HRM policies and practices across boundaries include:

- (i) four national factors namely, national culture, institutions, dynamic business environment and industrial sector;
- (ii) the contingent variables such as age, level of technology, presence of unions and different stakeholders' interest; and
- (iii) the organisational strategies and policies such as primary HR functions, internal labour markets and nature of work flexibility.

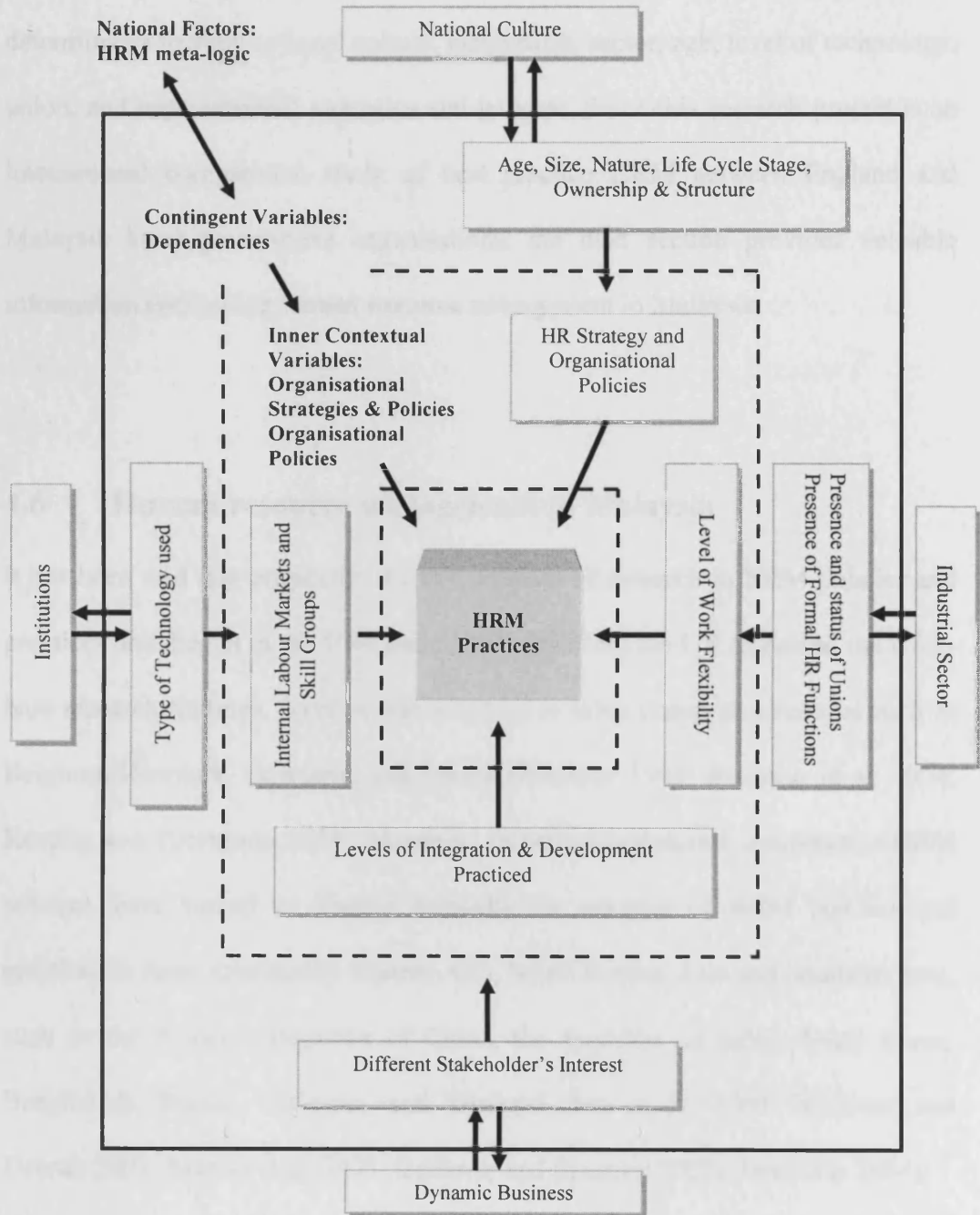
Based on the context-specific principle, Budhwar and Debrah (2001) believe that different arrangements of national culture, institutions, dynamic business environment, or industrial sector could revise the specific effect that the individual contingency variables have. The challenge for the organisation is not only to understand the complex interactions and the cause-and-effect relationships between national factors, contingent variables and organisational strategies and policies in the cross-national perspective, but also to understand the HRM context-specific nature in different settings. Thus, Budhwar and Debrah (2001) suggest that a contextual model is not only helpful in identifying the main determinants of HRM but also facilitates cross-national comparison. As such, a contextual model is appropriate to investigate HRM policies and practices in different regions of the world.

#### **4.5.2 An integrative model**

Another model for international comparative HRM research found in the literature is an integrative model which was developed by Budhwar and Sparrow (2002a). This model was built on the work of Murray et al. (1976); Schuler et al. (1993) and Welch (1994). According to Budhwar and Sparrow (2000a), Murray et al.'s work presents a good starting point for developing a conceptual model for cross-national HRM comparisons. This model is also developed by considering the current trends in the HRM, international HRM, cross-national HRM and comparative management literature. It suggests what should be considered under the broad construct of national culture (see Figure 4.2 for the model).

As shown in Figure 4.3, the major determinants of HRM practices and policies in different context and settings are: the national factors (i.e. national culture, industrial sector, dynamic business, and institutions); the contingency variables such as size of organisation based on the number of workers, type of ownership, level of technology adopted, and union status; and the inner contextual variables (i.e. HR strategy and organisational policies, level of work flexibility, levels of integration and development practised and internal labour markets and skill groups). Budhwar and Debrah (2001) believe that this model is appropriate for examining HRM in different regions of the world, not only in the Westernised countries.

Figure 4.2 Factors determining cross-national HRM policies and practices



Source: Budhwar and Sparrow (2002a: 387)

In summary, both contextual and integrative model evaluate the determinants of best practice HRM for international comparative HRM research. These determinants include national culture, institutions, sector, age, level of technology, union, and organisational strategies and policies. Since this research project is an international comparative study of best practice HRM between England and Malaysia local government organisations, the next section provides valuable information concerning human resource management in Malaysia.

#### **4.6 Human resource management in Malaysia**

It has been said that originally, the development of research in HRM policies and practices area begun in the USA and was brought into the UK to extend the USA-base research findings. Later, it was extended to other European countries such as Belgium, Denmark, Germany, and France (Brewster 1993; Brewster et al. 2004; Keating and Thompson 2004). However, recently international comparative HRM scholars have turned to observe critically the concept of HRM policies and practices in Asia, specifically Eastern Asia, South Eastern Asia and Southern Asia, such as the People's Republic of China, the Republic of India, South Korea, Bangladesh, Russia, Malaysia, and Thailand (Fey et al. 2000; Budhwar and Debrah 2001; Boselie et al. 2001; Budhwar and Sparrow 2002a; Budhwar 2004).

Asia, as the largest region which covers approximately 60 per cent of the world's population comprises of seven sub-regions: (i) Central Asia (e.g. Kazakhstan,

Kyrgyzstan, Uzbekistan); (ii) North Asia (i.e. Russia); (iii) South Asia (e.g. India, Bangladesh, Pakistan); (iv) East Asia (e.g. China, Hong Kong, Japan, Taiwan, South Korea); (v) Southeast Asia (e.g. Singapore, Malaysia, Thailand, Philippines, Indonesia); (vi) Far East Asia (a term used for *East Asia* and *Southeast Asia*, which also termed as *Pacific Rim*); and (vii) Southwest Asia, (also known as Middle East/West Asia - e.g. United Arab Emirates, Saudi Arabia, Israel, Iraq).

As mentioned in the previous sections, Asia economies continue to be among the fastest growing in the world. Aziz (2005) asserts that Malaysia performs as one of the important economies in Asia. Kohler (2003) states that,

*“In Malaysia, growth is showing an increased momentum, supported by fiscal stimulus. The economy's growth prospects are also underpinned by the progress that has been made in the areas of financial and corporate sector reforms, where Malaysia has moved more rapidly since the Asian crisis than many other countries. We now expect Malaysia's growth to rebound to over 5 percent next year and I believe that prospects are good for sustaining high growth in the years beyond”*(Kohler, Managing Director of the International Monetary Fund, 2003 at <http://www.imf.org/external/np/speeches/2003/090303.htm>).

Therefore, as regards to this current research, this section attempts to provide in brief concerning the development of HRM in Malaysia.

Historically, Malaysia had closer relationships with Britain that had an influence on Malaysia organisational practices especially in the public service and government organisations. Malaysia organisational practices were also influenced by the US. However, the success of the Japanese economy has changed the thinking in Malaysia when its former Prime Minister, Tun Dr Mahathir Mohamad,

introduced *Look East Policy* in the 1986. This policy basically helped Malaysian organisations to learn from the Japanese work systems as well as to establish good relationships between the two countries. Consequently, some aspects of the Japanese work systems have been adopted by Malaysian organisations such as team working, quality circles, just-in-time management, and total quality management. Although Malaysian organisations select and combine both Western and Japanese work practices to suit their needs, the local workers remain adherents of Islamic work values and Malaysian traditional work practices (Ahmad 2005).

#### **4.6.1 Islamic work values and Malaysian traditional work practices**

Malaysia comprised of approximately 65 per cent of Malay, 26 per cent of Chinese, 7 per cent of Indians and 2 per cent of others (Malaysia Department of Statistics 2005). This indicates that the majority of the Malaysia population is Malay and generally they are Muslims. As Islam is the national religion of the country and the majority of the population are Muslims therefore, the management practices in Malaysia are based on Islamic work values. Nevertheless, the Confucian values and Western values are also understood in Malaysian work practices (Ahmad 2005). The concept of Islamic work values are based on the *Quran* which demands each act should be accompanied by *niyat* (intention), *itqan* (conscientiousness and knowledgeable in all endeavours), *ihsan* (proficiency and efficiency), *ikhlas* (sincerity), *al falah* (passion for excellence), *taqwa* (continuous self examination, forever mindfulness of the almighty, piety), *'adil* (justice), *amanah* (responsibility), *sabar* (patience), moderation, promise-keeping,

accountability, dedication, gratefulness, cleanliness, consistency, discipline and cooperation (Alhabshi and Ghazali 1994).

Furthermore, Islamic work values stress equality, consensus and honesty and sincerity (Mansor and Ali 1998). Equality means there is no hierarchical society. *Mesyawarah* (consensus) means decisions are made through discussion and participation among relevant parties. Honesty and sincerity mean a person should be honest in what he/she is doing and sincere in discharging his/her duties. Furthermore, he/she is *amanah* (responsibility) to his/her job and it is *ibadah* (a form of duty). More importantly, he/she is accountable to God for his/her actions. Therefore, this work values could reflect a strong self-discipline among Muslim workers (Mansor and Ali 1998).

Islamic work values also highlighting on obedience to leaders. According to Beekun and Badawi (1999), workers are anticipated to show their respect and obedience to leaders/managers/superiors at all times. However, it does not condone blind subservience. In Islamic work values, leaders are obligated to consult their workers in prior to make any decisions. In this way, they could convince the workers to believe that the orders or directions are worth obeying along with the Islamic work values of forgiveness, kindheartedness and compassion (Atiyah 1999). Therefore, Atiyah (1999) suggests that harmony, cooperation and brotherly relationships are emphasised in Malaysia work values.

Besides the Islamic work values, Malaysian workers also adhere to traditional work practices. Malaysia has very strong social relations, self-sacrifice and family integrity (Noordin et al. 2002). Two traditional Malaysian work values that are important in Malaysian society are *kampung* (village) and *gotong-royong* (mutual help) (Taib and Ismail 1982). *Kampung* involves self-sufficient, small and dispersed, creating a sense of community and need for collective work. *Gotong-royong* is based on Islamic concept of the *ummah* (i.e. Islamic religion community) where each Muslim is responsible to another Muslims. *Gotong-royong* refers to people in a society who are helping each other for certain purposes. Other than *ummah* and *gotong-royong*, Malaysian workers believe in *adat resam* (i.e. social custom) which involves the concept of *ummah*, *gotong-royong* and *malu* (self-respect) (Taib and Ismail 1982). Thus, in *kampung* people practice *gotong-royong*, *ummah* and *adat resam*.

Likewise, the Chinese Malaysian holds similar work values with Malays in which they stick on to collectivist values, respect others and have high power distance. For example, Lim (2002) reported that work-related value had no significant difference between the Malays and the Chinese. However, both races were obviously different in terms of entrepreneurial motivation. While the Chinese had strong entrepreneurial motivation, the Malays had less entrepreneurial motivation (Mellahi and Wood 2004).



#### 4.6.2 HRM policies and practices

It has been thought that HRM is currently a growing area in Malaysia. During the early post-independence era, employers and government had extensive powers to control HRM policies and practices such as lay offs and promotion (Kuruville and Arudsothy 1995). However, in early 1970s, the new Malaysian industrial relations system came in and offered more power for unions concerning HRM policies and practices decisions. In fact, the government claimed that Malaysia was a cost-effective and *Industrial Relations* friendly country. In late 1980s, due to the impact of globalisation and the awareness that people are important for organisational effectiveness, organisations in Malaysia had changed the term *Personnel Management* to *Human Resource Management* (Peetz and Todd 2001). Later in 1990s, the government of Malaysia had followed this trend and changed the name of the *Ministry of Labour* to *Ministry of Human Resources*. The new ministry holds a major role in determining HRM policies and practices in Malaysia. The ministry is responsible for the development of labour administration policy, and promoting workers' welfare and industrial harmony. The ministry also plays a role as a coordinator for the private sector in controlling union activities and maintaining a multi-skilled worker (Malaysia Ministry of Human Resources 2006).

As mentioned earlier, the organisation of work in Malaysian companies is influenced by the Western and Japanese style of work organisation. For example, Peetz and Todd (2001) found that quality circles and just-in-time practices have been aggressively used in Malaysian manufacturing industry. As regards to

recruitment and selection practices, Malaysian organisations practiced both external and internal recruitment. Internal recruitment is used mainly for supervisory level. External recruitment is implemented through advertisement in major national newspapers such as the *New Straits Times*, the *Star*, *Utusan Malaysia* and *Berita Harian*. Besides advertisement, some organisations initiate to recruit their potential candidates during the university's career week or offer a scholarship to excellent students and bound them to work with the organisation for a minimum of five years after they graduated. Organisations also allow their current workers to introduce potential qualified candidates that they know to apply for vacancies (Peetz and Todd 2001).

Malaysian organisations practiced a performance-related pay as part of their salary packages. Usually workers' pay is on a basis of wage of the occupation, tenure-related increments and contractual bonus. Pay is also determined by worker-employer collective bargaining in unionised organisations, and by the management in non-unionised organisations. Malaysia has a shortage of skilled workers due to a rapid growth and the adoption of modern technological production processes from Western and Japan. Although the Ministry of Human Resource provides industrial and vocational training institutes to overcome the problem however, it is still insufficient due to a shortage of qualified and experienced trainers/lecturers. This suggests that Malaysia needs more training and development for skilled workers (Mellahi and Wood 2004).

In summary, Malaysia employs a mix HRM policies and practices of the Westernised countries, Japan and its own Islamic and Traditional work practices. Malaysian government has recognised the important role of HRM as it gives a positive impact on organisational and national growth and success. The relationship between employer and workers are based on the results of collective bargaining process through trade union in conjunction with several rules and regulations from the government to restrict unions' activities. Malaysia exercised both internal and external recruitment practices. Workers' pay is determined by the occupation wage, job tenure and contractual bonus. Finally, training and development practices are important for Malaysian workers as to compete in rapid industrial growth particularly for skilled workers.

As mentioned in the previous chapters, much of the work on best practice HRM and performance focus on the perceptions of workers and organisations from the US and UK. Therefore, it is also need to describe perceptions of workers and organisation from the other part of the world. This way could gain different perspectives concerning what and how best practice HRM have been implemented and experienced by the workers and organisations. The following section attempts to provide empirical evidence on international comparative best practice HRM in various national contexts.

#### **4.7 Empirical findings of international comparative best practice HRM**

Although research in international comparative HRM is undeveloped, there is still some evidence. For example, Brewster (1995) reviewed the international HRM empirical studies and examined the concept of HRM from a European perspective. He reported that union recognition occurs in the majority of the organisations in many European countries. For example, in the UK, 72 per cent of organisations with more than 200 workers recognise trade unions. In France and Germany, the formation of unions is required by laws. The employers in Germany, Italy and Portugal have to deal with workplace works councils wherever the workers request it. Brewster (1995) suggested that unions are important in Europe although various forms of works council have different degrees of power in those countries. On the other hand, American managers believe in the theories of *management's right to manage* in that employers have a prerogative power in making decisions relating to best practice HRM.

Holden (1996) studied HRM and worker involvement in a comparative context using Poole's model of power in workers' participation. The purpose of the study was to compare the degree and type of worker involvement in two banks in Britain and Sweden, and to set those practices in an organisational and national context. Holden (1996) found that Swedish workers felt that they had a greater degree of involvement in their workplace than the British. However, at organisational level, workers in both countries felt that they had less involvement on strategic issues whereby the management had a greater prerogative power. Workers from both

countries felt that they were adequately informed concerning the strategic issues but less informed on proposed changes in their organisations. Results also found that workers' participation was encouraged in their workplace through Best practice HRM but not at organisational level.

Snape et al. (1998) compared the performance appraisal practices and attitudes of 276 managerial and professional workers in Hong Kong and Britain. They found that Britain had a slightly higher percentage of face-to-face meetings with the appraiser than Hong Kong. British appraisal interviews tended to be rather longer, that is only 10 per cent had interviews of less than 30 minutes. In terms of appraiser behaviour, Hong Kong workers were significantly more likely to see appraisers as using appraisal to reward their favourites and to feel that they had to keep on good terms with their supervisor in order to get a good appraisal. They were less happy than their British counterparts about challenging their supervisors' appraisal of their performance. As for the attitudes on the uses of performance appraisal, Snape et al. (1998) found that both British and Hong Kong workers expressed stronger support for the training and development and the performance management uses of appraisal, than for reward and counselling. Hong Kong workers tended to support the use of appraisal for rewards rather more strongly than did British workers. British workers expressed stronger support for performance management and training and development uses of appraisal. In overall, Snape et al. (1998) suggested that the appraisal has been adopted in Hong Kong organisations but, the practice of appraisal has been adapted to suit the cultural characteristics of the society.

Verburg et al. (1999) examined the HRM practices from 97 industrial organisations in China and 47 in the Netherlands. The HRM practices were selection, training, performance appraisal, career development and rewards. They found that there were significant differences in HRM practices between China and the Netherlands in selection, training, performance appraisal, career development and rewards. In particular, significantly more Dutch workers showed that formal procedures are part of personnel selection; clear criteria for performance appraisal are used; and training needs analysis is a part of the training policy. In addition, results found that significantly more Chinese workers responded that pay is related to performance; and new opportunities for workers are being created. Verburg et al. (1999) suggested that the differences between the two countries were due to the national cultural differential and contextual constraints.

Ichniowski and Shaw (1999) collected data from 36 Japanese and 5 US steel organisations to examine the effects of HRM practices on economic performance. The HRM practices were incentive pay, recruiting, teamwork, employment security, job flexibility, training and labour-management communication. Results reported that Japanese production lines operating under their distinctive HRM system were significantly more productive than the average US production line. Moreover, US production lines with the US innovative system that parallels closely to Japanese system performed equally as the Japanese lines. Thus, Ichniowski et al. (1999) concluded that US production lines that follow Japanese system of HRM practices matched the high levels of productivity of Japanese organisations.

Dastmalchian et al. (2000) compared organisational culture and HRM practices from six different industries in 39 Canadian and 40 South Korean organisations. They found that although organisational culture was related to the differences between national cultures in Canada and South Korea, industry and contextual factors also contributed to a significant extent to the perception of organisational culture. In addition, organisational climate and senior management's leadership had also significantly related to national cultures.

Amba-Rao et al. (2000) compared and found differences performance appraisal practices and management values between foreign and domestic firms in India. For example, according to types of organisation (i.e. public sector firms, private investor firms, private family firms, and MNCs/joint venture firms), they found that MNCs/joint venture firms were more likely discussed performance appraisal results with their workers than private investor firms. MNCs/joint venture, private family, and private investor firms were more likely to use performance appraisal results for evaluative purposes than public sector firms. Moreover, the organisational structure and management style in private family firms did not permit sharing information and decision making but it was existed in MNCs/joint venture firms. Finally, foreign firms and family businesses were more likely to deal ethical standards more priority than economic efficiency and legal compliance in organisational decision making than public sector firms.

Budhwar and Khatri (2001) studied a wide range of HRM policies and practices in a cross-national comparative context: Britain and India. Using two parallel

questionnaire surveys (one each in Britain and India) of organisations having 200 or more workers in six matched industries in the manufacturing sector, they found significant differences in recruitment, compensation, training and development and worker communication practices between Britain and India. Results also found that there were significant relationships between contingent variables (i.e. size, age, nature and life-cycle stage of the organisation, HR strategies, business sector and trade union membership) and HRM policies and practices. Apart from the contingent variables, Budhwar and Khatri (2001) revealed that HRM strategy had a significant influence on HRM policies and practices between Britain and India. They concluded that although they have similar HRM policies and practices in Britain and India, the reason behind their existence is quite different, confirming the context-specific nature of HRM.

Raghuram et al. (2001) tested the flexible employment practices across fourteen European countries and found that national differences between flexible employment practices were explained by cultural differences. In particular, part-time work was related to power distance and individualism; contract work was related to uncertainty avoidance and individualism; shift work was related to uncertainty avoidance, power distance and individualism; and teleworking was related to femininity.

Drost et al. (2002) analysed and compared training and development practices within and across nine countries and one region, and addressed whether there are common or universal training and development practices. The study was part of a



larger research project, *the Best International Human Resource Management Practices project*, which was designed to study a range of HRM practices and organisational contextual factors across countries. Data were gathered through a questionnaire survey of managers and engineers. Respondents were asked to give feedback on the purpose of training and development practices: (i) to provide a reward to workers, (ii) to improve workers' technical skills, (iii) to improve workers' interpersonal skills, (iv) to remedy workers' poor past performance, (v) to prepare workers for future job assignments, (vi) to build team working within the company, (vii) to provide substantial initial training, (viii) to help workers understand the business, (ix) to provide cross-training, and to teach company values.

Drost et al. (2002) found that the results did not indicate any universal training and development practices across all the countries and region examined. However, results did indicate significant similarities in practices within country clusters, and these similarities were believed to be influenced by cultural values and industry trends. For example, managers from Mexico, Latin America and the Anglo countries indicated a significant desire to improve employees' interpersonal skills in the future. To the contrary, managers from Asian indicated no significant desire to improve employees' interpersonal skill in the future. In terms of the purpose to build teamwork within the company, results showed that managers from the Anglo and Latin American countries had a significant higher desire to increase future team building practices than managers from the Asian countries.

Using the *Best International Human Resource Management Practices Survey*, Huo et al. (2002) examined the hiring practices in ten different countries. The countries were Australia, Canada, People's Republic of China, Indonesia, Japan, South Korea, Mexico, Taiwan, the US and Latin America. Huo et al. (2002) highlighted two fundamental questions: (i) Do significant differences exist among nations in terms of commonly used hiring practices? If so, what are these differences? and (ii) Do managers agree that there are some universally applicable selection criteria that can be used for recruiting new workers in any country? Results found that there is more divergence than convergence in current recruiting practices between those countries however, they also suggested that as a result of the advancement of contemporary information technology such as the Internet, global organisations are in the process of converging on ways of recruitment although they have national cultural differential.

Bowen et al. (2002) explored the status of HRM department in different countries. They found significant differences in HRM status across countries. Australia had the highest status of HRM and significantly different from the US. Indonesia had the lowest status of HRM which seemed to suggest that the HR department is not seen as important as in other countries. Japan, South Korea, Mexico and Latin America had a similar HR function with the US as they have close economic and/or geographic linkages to the US.

Lowe et al. (2002) examined the role of pay and benefits in international compensation from ten countries and regions. The compensation roles examined

were pay incentives are importance, benefits are important, pay is contingent on group/organisational performance, pay based on long-term results, seniority enters into pay decisions, incentives are a significant amount of pay, benefits are considered to be generous, futuristic pay orientation, and job performance is the basis for pay raises. Lowe et al. (2002) found that there were differences perceptions of current compensation practices and desire compensation practices for the organisations. For example, all countries desired that pay incentives and benefits practices were more important in the future. The highest current and desire interest in generous benefits appeared to be in Latin America, Mexico, Korea and the People's Republic of China. Pay based on seniority was not viewed as being highly valuable either in current or in future practices. Finally, they also found that compensation practices were significantly related with high workers' performance, satisfied workers and effective organisation in all countries.

Milliman et al. (2002) studied the current purposes of performance appraisal in ten different countries and regions in Asia, North America, and Latin America. The purposes of performance appraisals studied were documentation, development, pay and promotions administrative, and subordinate expression. Results found that the purposes of performance appraisal were practiced on only a low to moderate basis in every country. These results, as Milliman et al. (2002) reported, indicated that the purposes of appraisal were not implemented or practiced nearly as much as was desired in appraisals. Thus, the potential of appraisal was not fully realised in current practice not only in the US but also in most other countries.

Faulkner et al. (2002) investigated HRM practices adopted by organisations from the USA, Japan, Germany and France in the UK companies that they have acquired. Results reported that there was substantial convergence in certain practices in all countries. For example, all countries employed performance-related pay and increased the amount of training in their new subsidiaries. Faulkner et al. (2002) also reported significant differences in career planning, recruitment, appraisal, promotion and communication. For example, the US had a significant shorter-term employment and termination policies than all the other countries. While other countries claimed a substantial level of career planning, Germany admitted to being rather ad hoc in this respect. Finally, all countries reported a formal style of communication except Germany which claimed that informality was more typical.

Claus (2003) explored the similarities and differences in HRM practices in the European Union. She found that the common factors in the European HRM development were the importance of consultation, the emergence of flexible work patterns, the role of work and the employer in the life of employees, and the introduction of the Euro. The divergence in European HRM was related to national factors (e.g. different cultures, societal structure, and language), company factors (e.g. public/private, multinational/local, and company size), and regional factors (e.g. north-south and east-west blocs). Claus (2003) also found that the European Union had relatively little impact on HRM as regards to harmonisation of labour and tax laws however, had major impact on the opening up of markets to foreign competition and privatisation of public sector organisations. She concluded that

the European HRM is operating in a polycentric mode than the US HRM, which aims universality and standardisation.

Farley et al. (2004) examined key HRM practices in a selection of 286 US, German and Japanese subsidiaries located in China. The HRM practices were appraisal, internal promotion, compensation, recruitment and selection, employee benefits, corporate values, career development, training, employment policy, and job structure. Farley et al. (2004) reported that significant differences in HRM practices between the countries were related to financial control from the foreign parent, joint venture structure and time since entry in the Chinese market. The differences appeared to be controlled more by the parent-firm economic considerations, venture structure, and from specific Chinese HRM conditions than by local-firm economic considerations or factors related with industry type. Farley et al. (2004) also found that some HRM practices were unaffected by any of these factors due to China's economy being closer to market-driven in which organisations are utilising the world-wide best practices of HRM. These 'best' practices include merit-based performance evaluation systems, adopting more rules related to corporate government and focusing on outcomes.

#### **4.7.1 Summary**

In sum, the above empirical evidence show that there is some support concerning research in international comparative HRM practices between countries. Particularly, the empirical evidences suggest that there is considerable divergence

of HRM practices between countries. HRM practices were perceived differently in different nations. For example, amongst the US, Japan, Latin America, South Korea, Taiwan, People's Republic of China, Indonesia, Mexico, and Canada, Australia had the highest status of HRM whereas Indonesia had the lowest (Bowen et al. 2002). This evidence indicates that the role of HRM is seen as the most important in Australia and the least in Indonesia.

In Europe, the process of decision making relating to HRM practices involved workers through trade unions however, in the US, the employers have a prerogative power to make HRM practices decisions (Brewster 1995). Workers in Sweden had a higher level of involvement in the workplace than in the UK (Holden 1996). Verburg et al. (1999), Budhwar and Khatri (2001), Faulkner et al. (2002) and Farley et al. (2004) also found significant differences in most of the HRM practices between countries: recruitment and selection, training and development, compensation, performance appraisal, career development and rewards, compensation, and worker communication. They reported that these differences were related to national factors (e.g. national culture, national institutions, business sectors, and dynamic business environment), contingent variables (e.g. size, age, ownership, trade union membership, and life-cycle stage of organisation) and organisational strategies.

Empirical evidences also suggest that there is convergence of HRM practices between countries. For example, all countries studied (i.e. Australia, Canada, Indonesia, Japan, South Korea, Latin America, Mexico, People's Republic of China, Taiwan and the US) had implemented performance-related pay and

increased training in their new subsidiaries (Faulker et al. 2002); and had desired that pay incentives and benefits were more important in the future than in the existing HRM practices (Lowe et al. 2002). Both Germany and France are required by law to form a trade union for their workers (Brewster 1995). The US, Japan, South Korea, Mexico and Latin America had a similar HRM functions (Bowen et al. 2002).

As reported in the studies, the convergence of HRM practices between these countries was related to close economic and/or geographic relationships between the countries. In addition, with regards to recruitment, Huo et al. (2002) found that recruitment practices are in the process of converging across countries and this is due to the advancement of information technology. Finally, evidences provided indicate that there are growing interests to explore comparative best practice HRM in various countries including both developed and developing countries.

#### **4.8 Summary**

In sum, international comparative HRM research is becoming an increasingly important topic resulting from the rapid growth in international business activity. International comparative HRM is a related but separate field to international HRM and strategic international HRM, which concerns on identifying and understanding the nature of best practice HRM and the differences in best practice HRM across countries. While international HRM concerns with hiring and developing people in MNCs, strategic international HRM concerns with linking

the international HRM with the business strategy of the MNCs. Research in comparative best practice HRM between countries are needed due to the impact of globalisation and internationalisation of business, the influence of Best practice HRM from the Westernised countries, and the national culture differentials.

There are issues in comparative HRM research that had pulled scholars and practitioners attentions. These included the issues of universal and contextual HRM, the US and UK models of HRM, and the convergence and divergence in best practice HRM across countries. The universal HRM focuses on the universal effects of best practice HRM on organisational performance between countries however, the contextual HRM argues that there is no universal effects of best practice HRM due to changes in social, economic, national culture and organisational business strategy. The contextual HRM propose the idea that best practice HRM that fit with appropriate business strategy will give higher organisational performance. Previous literatures indicated that most of the studies used the US and UK HRM models thus, Budhwar and Sparrow (2002) argued that the models may not reliable to non-Westernised countries. In order to suit with non-Westernised countries, scholars have developed an integrative model for international comparative HRM research (Budhwar and Debrah 2001; Budhwar and Sparrow 2002). Finally, the convergence and divergence in best practice HRM between countries are due to differentials in national culture and institutions background. In overall, whether it is universal or contextual HRM; the US or UK model of HRM; or convergence or divergence, there is no right or wrong concepts (Harris et al. 2004).



With regards to HRM in Malaysia, the country employs a mix HRM policies and practices of the Westernised countries, Japan and its own Islamic work values and Traditional work practices. The state of Malaysia recognises the important role of HRM as it provides a high impact on organisational and national growth. The relationship between organisation and workers are based on the results of collective bargaining process through trade union in conjunction with several rules and regulations from the state to restrict union's activities. Malaysia exercised both internal and external recruitment practices. Workers' pay is determined by the occupation wage, job tenure and contractual bonus. Finally, training and development practices are important for Malaysian workers as to compete in rapid industrial growth particularly for skilled workers. Thus, HRM in Malaysia is presently a growing area.

Empirical evidences provided in this chapter indicate that there is considerable divergence and convergence of HRM policies and practices between countries. For example, amongst the US, Japan, Latin America, South Korea, Taiwan, People's Republic of China, Indonesia, Mexico and Canada, Australia had the highest status of HRM whereas Indonesia had the lowest (Bowen et al. 2002). This shows that the role of HRM is seen as the most important in Australia and the least in Indonesia.

The decision making process relating to HRM practices in Europe, involved workers through trade unions. On the other hand, employers in the US have a prerogative power to make HRM practices decisions (Brewster 1995). Workers in Sweden had a higher level of involvement in the workplace than in the UK (Holden 1996). Furthermore, Verburg et al. (1999), Budhwar and Khatri (2001), Faulkner et al. (2002) and Farley et al. (2004) also found significant differences in most of the HRM practices between countries such as recruitment and selection, training and development, compensation, performance appraisal, career development and rewards, compensation and worker communication. They revealed that these differences were related to national factors, contingent variables, and organisational strategies.

Empirical evidences also suggest that there is convergence of HRM practices between countries. For example, all countries studied (i.e. Australia, Canada, Indonesia, Japan, South Korea, Latin America, Mexico, People's Republic of China, Taiwan, and the US) had implemented performance-related pay and increased training in their new subsidiaries (Faulker et al. 2002) and had desired that pay incentives and benefits were more important in the future than in the existing HRM practices (Lowe et al. 2002). Again, as reported in the studies, the convergence of HRM practices between these countries was related to close economic and/or geographic relationships between the countries. As such, evidences provided in this chapter indicate that there are growing interests to explore comparative best practice HRM in various countries.

As explained in Chapter 2 and 3, there were significant relationships between HRM policies and practices on performance both at organisational and individual level and the impacts have been studied extensively for the past 20 years in various countries (Delery and Doty 1996; Ichniowski et al. 1997; Bartel 2004; Gould-Williams 2004; 2007). These studies have also been extended to non-Westernised countries; particularly in developing countries included this current research. In order to achieve the purpose of the current research and extent empirical evidence to the HRM literature, an appropriate research methodology should be applied.

Therefore, the next chapter provides the research methodology for the current research.

# RESEARCH METHODOLOGY

## CHAPTER

# 5

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### RESEARCH METHODOLOGY

Chapter 5 describes the research design adopted for this current project, and explains the methodology used to collect and analyse data for examining the hypotheses proposed in Chapter 3. This chapter presents five major topics of methodology: research design, research setting and sampling, research context, data collection methods, and analysis of data.

#### 5.1 Introduction

Methodology is a body of knowledge that explains and analyses methods, indicating their limitations and resources, identifying their presuppositions and consequences, and relating their potentialities to research advances (Miller 1983). Specifically, it defines what the activity of research is, how to proceed, how to measure progress and what constitutes success. A research methodology according to Ary et al. (2005) refers to the general strategy followed in gathering and analyzing the data necessary for answering the research questions. In this chapter, the main research design is described. Following that, this chapter explains the methodology used to collect and analyse the data for examining the thirty four research hypotheses. This chapter concludes by providing the research design framework.

## **5.2 The objective of study**

Based on the introduction and background information provided in Chapter 1, the main objective of the current research project is to compare the effects of best practice HRM on performance outcomes between England and Malaysia. In specific, the current research aims to compare the relationship between best practice HRM and both worker outcomes and perceived organisational performance in England and Malaysia local government.

## **5.3 Research design**

In general, research design provides the framework for the collection and analysis of data and it is not the same as research method (Creswell 2003). While research method is a technique for collecting data and is part of the research design, research design is the blueprint which enables the researcher to come up with solutions to the problems studied and it is a decision making process. It can be thought of as the structure of research where it is the glue that holds all of the elements in a research project together (Nachmias and Nachmias 1996).

Research design reflects decisions made about the priority being given to aspects of the research process. It expresses causal connections between variables, generalising to larger groups than just those studied, understanding behaviour and the meaning of that behaviour in a particular context, and an appreciation of a social phenomenon over time (Creswell 2003).

### **5.3.1 Importance of research design**

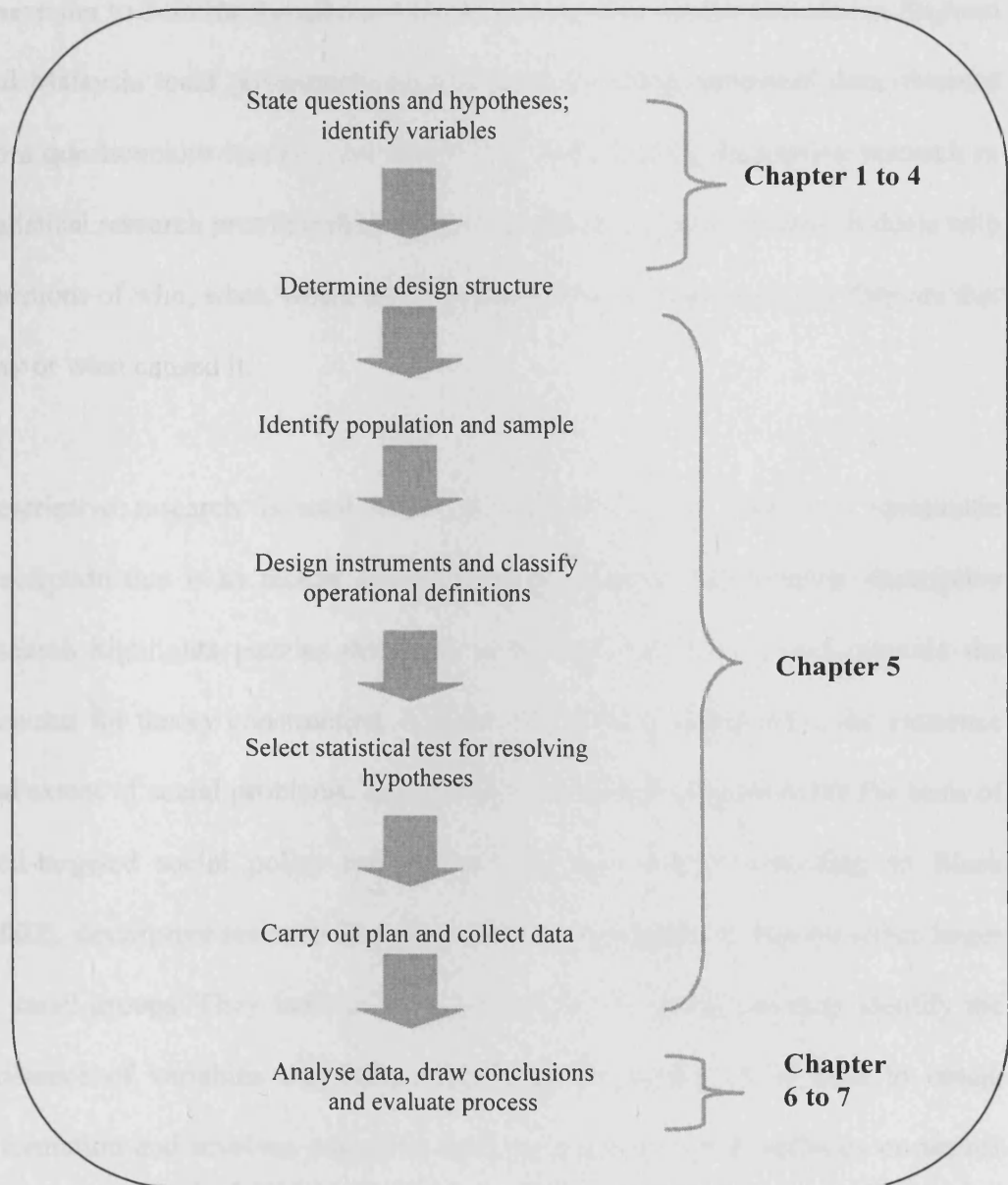
Research design is important because it is a critical part of research and it provides the link between the theory and argument that informed the research and the empirical data collected (Nachmias and Nachmias 1996). As Hakim (2000) noted, research design addresses at least three issues. Firstly, it must allow the researcher to engage in an on-going debate. For example, a social science researcher may embark on a research programme by examining critically the issues in a debate, discover unanswered or poorly answered questions, and then engage the debate through an analysis of these weaknesses. Research design therefore, has to address the debate, and allow the researcher to contribute to that debate.

Secondly, and as a result, the design of a research project must aim to include not just the answers that the researcher is trying to give, but also explicitly address the issues in the debate. Thus, case selection becomes an instrument, which allows an intervention in the on-going debate, and therefore needs to be done not just with the researcher's final argument in mind, but also explicitly engaging the most important alternative explanations. Finally, the research design must allow the researcher to make the step from argument, over well-specified hypotheses to the actual cases studied (Hakim 2000).

In summary, research design is a set of instructions to the researcher to gather and analyse data in certain ways that will control who and what are to be studied. A research design for the current research is explained in the following sections and

is summarised at the end of this chapter (see Figure 5.6). Figure 5.1 shows stages of designing and carrying out the current research.

Figure 5.1 Stages of designing and carrying out this current research



Source: Black (1999)



### **5.3.2 Descriptive research**

As known, there are three main types of business research: exploratory, descriptive and causal (Zikmund 2000). Among these research types, a descriptive research was considered suitable to the current research because it helps the researcher to describe the effects of HRM practices on worker attitudes in England and Malaysia local government organisations, by using numerical data obtained from questionnaire surveys. As stated by deVaus (2002), descriptive research or statistical research provides data about the populations being studied. It deals with questions of who, what, when, where and how of a situation, not why they are that way or what caused it.

Descriptive research is used when the objective is to provide a systematic description that is as factual and accurate as possible. Furthermore, descriptive research highlights puzzles that need to be resolved and as such provide the stimulus for theory construction. It plays a key role in highlighting the existence and extent of social problems, can stimulate social action and provide the basis of well-targeted social policy interventions (deVaus 2002). According to Black (2002), descriptive research intends to offer only descriptive data on either larger or small groups. They indicate something about the group and may identify the existence of variables and characteristics of the group. It is used to obtain information and involves collecting numerical data to test hypotheses or answer questions concerning the current status of a phenomena (Ary et al. 2005). It also attempts to determine the extent of differences in the perceptions, attitudes and characteristics of subgroup of the population. The two most common types of descriptive research designs are surveys and observation (Zikmund 2000).

### **5.3.3 Research philosophy**

A research philosophy, according to Levin (1988), is a belief about the way in which data about a phenomenon should be gathered, analysed and employed. The phrase epistemology (i.e. what is known to be true) as oppose to doxology (i.e. what is believed to be true) covers the various philosophies of research approach. One of the major research philosophies that have been recognised in the social science research is positivism. Positivists believe that reality is stable and can be observed and described from an objective viewpoint without interfering with the phenomena being studied (Levin 1988).

The positivists, as Levin (1988) added, contend that phenomena should be isolated and that observations should be repeatable. This often involves manipulation of reality with variations in only a single independent variable so as to identify regularities in, and to form relationships between, some of the constituent elements of the social world. Predictions then can be made on the basis of the previously observed and explained realities and their inter-relationships.

Historically, positivism is the name for at least two philosophical directions. They have in common the idea of a science without theology or metaphysics, based only on facts about the physical/material world. The older positivism is based on the philosophical thinking of Auguste Comte in the 19th century, whereas the newer logical positivism was founded in 1920s by the Vienna Circle. Structural anthropologist Edmund Leach described positivism, during the 1966 Henry Myers Lecture, as the view that serious scientific inquiry should not search for ultimate causes deriving from some outside source but must confine itself to the study of

relations existing between facts, which are directly accessible to observation (Hughes 1990). Hirschheim argued,

*Positivism has a long and rich historical tradition. It is so embedded in our society that knowledge claims not grounded in positivist thought are simply dismissed as a scientific and therefore invalid (Hirschheim 1985: 33).*

Smith (1998) defines positivist approaches to the social sciences as things can be studied as facts and the relationship between these facts can be established as scientific laws. He claims that such laws have the status of truth and thus social objects can be studied in much the same way as natural objects. Moreover, Benbasat et al. (1987) observe very accurately that no single research methodology is intrinsically better than any other methodology and many authors calling for a combination of research methods in order to improve the quality of research (e.g. Kaplan and Duchon 1988). As Kaplan and Duchon (1988) suggested,

*Triangulation of data from different sources can alert researchers to potential analytical errors and omissions. Mixing methods can also lead to new insights and modes of analysis that are unlikely to occur if one method is used alone (Kaplan and Duchon 1988: 582).*

Boselie et al. (2002) who in a review of 77 HRM-performance research articles, found that all the empirical evidences were positivist in approach and indirectly support the positivistic view. They conclude that positivism is a clear quantitative or methodological approach to understanding phenomenon based on scientific method, empiricism and objectivity. Therefore, a positivistic approach explains human behaviour by understanding the cause and effect (e.g. factors, determinants) and has *objective* explanation as its goal (May 2001). Given the above explanation, a positivism quantitative approach is required for the purpose

of this current research, i.e. the understanding of the relationship between best practice HRM (i.e. the causes), and worker outcomes (i.e. the effect). However, for this research, causation has to be assumed rather as there is no time lag between “cause” and “effect”.

### **5.3.4 Deductive approach**

As regards to the approaches to theory construction, deductive approach generates theory by beginning with known facts and proceeding through deductive reasoning (Ary et al. 2005). It is taking a known theory, for example, the normative theories, the universalistic perspective and theory of expectancy, and applying them to a situation with the intention of testing whether these theories are true. In other words, the deductive approach is a process of development that moves from the general to the specific and it is the common form used by scholars (Ary et al. 2005).

As mentioned in earlier sections, the current research has adopted a positivist research philosophy. A general rule of quantitative, or positivist research draws on deductive reasoning while qualitative, or interpretative research draws on inductive reasoning, which uses observation to formulate an idea or theory (Punch 1998). Therefore, a deductive reasoning is appropriate to organising the current research.

### **5.3.5 Survey and cross-sectional study**

As for the research method, the current research employed a survey as it allows the collection of a large number of data from a large population in a highly economically way. Furthermore, according to Saunders et al. (2003), people perceive the survey method as authoritative in general because it is easily understood. It is a popular and common strategy in business and management research (Saunders et al. 2003).

A cross-sectional study is a study of a particular phenomenon at a particular time (Saunders et al. 2003). Baltes (1968) defines the cross-sectional method as samples (S1 - Sn) of different ages (A1 - An) are observed on the same dependent variable once (O1) at the same time of measurement (T1). It shows two or more groups are tested at one time to see if differences exist across ages. According to deVaus (2001), a cross-sectional study is well suited to descriptive studies and widely used in them. It is also predominantly used in the social sciences (Nachmias and Nachmias 1996) because it is an efficient way for collecting data and more cost effective (deVaus 2001).

Therefore, due to the descriptive nature of the present inquiry to investigate the effects of best practice HRM on worker outcomes in England and Malaysia local government organisations and since the current research subjects were relevant to local government organisations, a cross-sectional study was considered as appropriate for achieving the objectives of the current research.

## **5.4 Research sampling**

Research sampling is needed for the current research due to time and budget constraints to survey the entire population. There are two types of sampling procedures: (i) probability or representative sampling, and (ii) non-probability or judgemental sampling. In probability sampling, every element or member of the population has a known non-zero chance of being selected. In other words, the chance or probability of each case being selected from the population is known and is usually equal for all cases. It is commonly used for a survey-based research where a conclusion can be made from the sample about the population to achieve the research objectives (Saunders et al. 2003). The advantage of probability sampling is that the sampling error can be calculated. Sampling error is the degree to which a sample might differ from the population.

On the other hand, in non-probability sampling, the degree to which the sample differs from the population remains unknown (Ary et al. 2005). In other words, the chance or probability of each case being selected from the total population is not known and it is commonly used for case study research (Saunders et al. 2003).

The probability sampling procedure has several stages (Saunders et al. 2003; Ary et al. 2005):

- (i) Identify the population to be represented in the research
- (ii) Identify a suitable sampling frame based on the research objectives
- (iii) Decide on a suitable sample size
- (iv) Select the most appropriate technique and select the sample

The following sections discuss each of these stages.

### **5.4.1 Population**

A population is all cases of the group on which the research focuses and is being tested (Zikmund 2000). It is considered a group that shares a set of common traits. Conclusions based on sample results can be projected only to the population from which the sample was selected. While a population is the set of units that the sample is meant to represent (deVaus 2002), a sampling frame is a list of all cases of the population from which the sample are drawn (Saunders et al. 2003). Although ideally the sampling frame is the same as the population, however this is difficult to achieve with most large populations. For instance, if the population were all public and private sector workers of Malaysia, the current research might have difficulty getting an accurate, up-to-date list of workers because of the significant movement in and out of the organisations and delays in updating records.

### **5.4.2 Sampling frame, sampling unit and sample of study**

Element or sampling unit is an individual who is part of the population and has a chance of being selected. The sample is the group of individuals drawn from the population that actually participates in the research project (Black 2002). The sampling frame for the current research is based on workers from 45 service departments in England and 20 service departments in Malaysia local government organisations. The sampling unit consists of front-line workers, supervisors and middle managers working in England and Malaysia local government organisations. Thus, the sample for the current research is 569 and 453 front-line workers, supervisors and middle managers from England and Malaysia local government organisations, respectively (see Table 5.1).

Table 5.1 The population, sampling frame and sample of this current research

	England, United Kingdom	Selangor, Malaysia
Population	45 service departments	20 service departments
Sampling frame	9 councils x 5 departments	4 councils x 5 departments
Councils	Sheffield Knowsley Redbridge Bristol Derbyshire Richmond South Tyneside Walsall Stockport	Petaling Jaya Shah Alam Subang Jaya Ampang Jaya
Departments	Benefits/Revenue Planning Housing Waste Leisure	Benefits/Revenue Planning Housing Waste Leisure
Sample size	569 front line workers, supervisors and middle managers	453 front line workers, supervisors and middle managers

### 5.4.3 Sampling technique

A sampling technique is needed once the current research has chosen the sampling frame and the sample size. There are four sampling techniques that can be used to select a probability sample: (i) simple random sampling, (ii) systematic sampling, (iii) stratified sampling, and (iv) cluster sampling (Ary et al. 2005). In simple random sampling, all the cases of a population have an equal chance of being included within the sample. In systematic sampling, every  $n$ th case from a list of the population is taken as the sample. In stratified sampling, independent samples are selected from different subgroups or strata of a population.



Finally, in cluster sampling, occurring groups or clusters are selected from a population, and then all individuals within the selected clusters are used as the sample. A comparison of sampling techniques is presented in Table 5.2.

Table 5.2 A comparison of sampling techniques

Description	Cost and degree of use	Advantages	Disadvantages
Simple random: researcher assigns each member of the sampling frame a number, then selects sample units by a random method.	High cost, not frequently used in practice (except random-digit dialling)	Only minimal advance knowledge of population needed; easy to analyse data and compute error	Requires sampling frame to work from; does not use knowledge of population that researcher may have; larger errors for same sample size than stratified sampling; respondents may be widely dispersed, hence higher cost
Systematic: Researcher uses natural ordering or order of sampling frame, selects an arbitrary starting point, then select items at a pre-selected interval.	Moderate cost, moderately used	Simple to draw sample; easy to check	If sampling interval is related to a periodic ordering of the population, may introduce increased variability
Stratified: Researcher divides the population into groups and randomly selects sub-samples from each group. Variations include proportional, disproportional, and optimal allocation of sub-sample sizes.	High cost, moderately used	Assures representation of all groups in sample; characteristics of each stratum can be estimated and comparisons made; reduces variability for same sample size	Requires accurate information on proportion in each stratum; if stratified lists are not already available, they can be costly to prepare
Cluster: Researcher selects sampling units at random, then does complete observation of all units in the group.	Low cost, frequently used	If clusters geographically defined, yields lowest field cost; requires listing of all clusters but of individuals only within clusters; can estimate characteristics of clusters as well as of population	Larger error for comparable size than other probability samples; researcher must be able to assign population members to unique cluster, or duplication or omission of individual results

Source: Zikmund (2000: 363)

According to Black (1999), stratified random sampling involves a random sample from identified groups, which are homogenous in certain characteristics such as people living in geographical areas or belonging to organisations. Stratified random sampling is appropriate for a comparative study such as to compare the performance of workers in organisation. As Black (1999) stated, "*Stratified samples will be particularly important when endeavouring to secure comparative groups for life experiences...*" (Black 1999: 121). Therefore, concerning this research, a stratified random sampling technique is employed to obtain a representative sample. The population is divided into five departments namely Benefits/Revenue, Planning, Housing, Waste, and Leisure; and samples are selected randomly from each department.

#### **5.4.4 Demographic profile**

The demographic profile of the survey respondents are presented in Table 5.3 to Table 5.8. Table 5.3 shows the frequency scores and percentages for gender, marital status and age of respondents. The majority respondents in England were female that is 57.7 per cent and 42.3 per cent were male. Similarly, majority of the respondents in Malaysia were female that is 56.5 per cent and 43.5 per cent were male. More than half of the respondents in both countries were married (England 69.1 per cent; Malaysia 59.6 per cent). The largest age group for England consisted of those aged 31-45 years (46.6 per cent), followed by the age group 46-60 years (37.8 per cent) and 21-30 years (12.4 per cent). 2.5 per cent of the respondents were aged over 60 years, and 0.7 per cent were between 18-20 years. However, the largest age group for Malaysia consisted of respondents aged 21-30 years (62.7 per cent), followed by the age group 31-45 years (25.2 per cent). 10.6

per cent of the respondents were aged between 46-60 years, 1.5 per cent were between 18-20 years, and none of them aged over 60 years. Thus, majority workers for this current research were female, married and aged between 21-45 years.

Table 5.3 Respondents by gender, marital status and age

	Count (% of Total)			
	England (N=569)		Malaysia (N=453)	
	Frequency	Percentage	Frequency	Percentage
<b>Gender</b>				
Male	218	42.3	197	43.5
Female	297	57.7	256	56.5
		100		100
<b>Marital Status</b>				
Single/divorced/widowed	174	30.6	183	40.4
Married	389	69.1	270	59.6
		100		100
<b>Age (years)</b>				
18-20	4	0.7	7	1.5
21-30	70	12.4	284	62.7
31-45	264	46.6	114	25.2
46-60	214	37.8	48	10.6
Over 60	14	2.5	0	0
		100		100

The educational level of the respondents varied greatly between England and Malaysia (see Table 5.4). While a significant member of respondents in England had Bachelors degree (34.3 per cent), majority Malaysia's respondents had Malaysia Certificate of Education that is equivalent to UK GCSE/O Level (50.6 per cent). The second largest group of the respondents for England had A Level (19.5 per cent), followed by PhD/Masters Degree (15 per cent), GCSE/O Level:

C-A grades (14.5 per cent), NVQ or City and Guilds (8.2 per cent), CSE/GCSE/O Level: G-D grades (4.3 percent), and 4.3 per cent had no qualifications. The second largest group of the respondents for Malaysia had Malaysia Higher School Certificate that is equivalent to A Level, or Diploma (37.3 per cent). Followed by Bachelors Degree (6.2 per cent), Lower Certificate of Education (4.2 per cent), and Standard Six (1.3 per cent), and PhD/Masters Degree (0.2 per cent). Thus, workers in England were considered as more educated than workers in Malaysia.

Table 5.4 Respondents by educational qualification

Highest Educational Qualification	Count (% of Total)			
	England (N=569)		Malaysia (N=453)	
	Frequency	Percentage	Frequency	Percentage
No qualifications	24	4.3	0	0
NVQ or City and Guilds or equivalent	46	8.2	6	1.3
CSE/GCSE or O level (G-D grades) or equivalent	24	4.3	19	4.2
GCSE/ O level (C-A grades) or equivalent	81	14.5	229	50.6
A level or equivalent	109	19.5	169	37.3
Bachelors Degree or equivalent	192	34.3	28	6.2
PhD/Masters Degree or equivalent	84	15	2	0.4
		100		100

In this research, all respondents were randomly selected from thirteen authorities. Table 5.5 provides the frequency scores and percentages for service area of the respondents. The majority of respondents in England and Malaysia worked in the Department of Waste (26.7 per cent) and Planning (27.6 per cent), respectively.

Table 5.5 Respondents by service area

Service area	Count (% of Total)			
	England (N=569)		Malaysia (N=453)	
	Frequency	Percentage	Frequency	Percentage
Benefits/Revenue	110	20.0	112	24.7
Planning	115	20.9	125	27.6
Housing	106	19.3	52	11.5
Waste	147	26.7	102	22.5
Leisure	72	13.1	62	13.7
		100		100

The following Table 5.6 shows the frequency scores and percentages for ethnic group of the respondents.

Table 5.6 Respondents by ethnic groups

Ethnic group	Count (% of Total)			
	England (N=569)		Malaysia (N=453)	
	Frequency	Percentage	Frequency	Percentage
White British	514	91.3		
*Others	55	8.7		
Malay			430	94.9
Chinese-Malaysian			6	1.3
Indian-Malaysian			17	3.8
		100		100

Note: \* White & Black Caribbean (1), Indian (10), Caribbean (5), Chinese (1), Irish (8), Pakistani (5), Black African (2), Other White background (13), White & Asian (4), Other Asian background (1), Undecided (5)

Respondents of this research were comprised of multi ethnic groups. Nevertheless, 91.1 per cent of the respondents in England were White British and 94.9 per cent of the respondents in Malaysia were Malay. Thus, White British and Malay were considered as the largest ethnic groups for this research.

The frequency scores and percentages of respondents according to authority, job position, nature of employment and union membership is presented in Table 5.7. The majority of respondents were from Stockport Metropolitan Borough Council of England (16.9 per cent) and Petaling Jaya Municipal Council of Malaysia (31.1 per cent). As regards to job position, the majority of respondents in England (64.4 per cent) and Malaysia (75.1 per cent) were frontline workers. The England sample had a greater proportion of managers in comparison with the Malaysian sample. More than half of respondents in both countries were permanent workers (England 92.6 per cent; Malaysia 58.9 per cent). Malaysia had more contract workers (40.6 per cent) than England (4.6 per cent). The majority of respondents from both countries were union members (England 66.4 per cent; Malaysia 55.6 per cent). Therefore, workers in England and Malaysia consisted of permanent frontline workers and members of the union.

Table 5.7 Respondents by authority, job position, nature of employment and union membership

	Count (% of Total)			
	England (N=569)		Malaysia (N=453)	
	Frequency	Percentage	Frequency	Percentage
<b>Authority</b>				
Sheffield City Council	20	3.5		
Knowsley Metropolitan Borough	32	5.6		
London Borough of Redbridge	72	12.7		
Bristol City Council	86	15.1		
Derbyshire County Council	86	15.1		
London Borough of Richmond	71	12.5		
South Tyneside Metropolitan Borough Council	62	10.9		
Walsall Metropolitan Borough Council	44	7.7		
Stockport Metropolitan Borough Council	96	16.9		
Shah Alam City Council			129	28.5
Petaling Jaya Municipal Council			141	31.1
Subang Jaya Municipal Council			119	26.3
Ampang Jaya Municipal Council			64	14.1
		100		100
<b>Job position</b>				
Frontline staff	358	64.4	340	75.1
Supervisor/line manager	101	18.2	23	5.1
Middle manager	75	13.5	46	10.2
Senior manager	22	4.0	44	9.7
		100		100
<b>Nature of employment</b>				
Temporary	16	2.8	2	0.4
Fixed term/Contract	26	4.6	184	40.6
Permanent	522	92.6	267	58.9
		100		100
<b>Union</b>				
No	183	33.6	201	44.4
Yes	362	66.4	252	55.6
		100		100

Table 5.8 presents the frequency scores and percentages for years of working in current job and years of working for authority, of the respondents.

Table 5.8 Respondents by years working in current job and years working for authority

	Count (% of Total)			
	England (N=569)		Malaysia (N=453)	
	Frequency	Percentage	Frequency	Percentage
<b>Years working in current job</b>				
Less than 1 year	67	11.9	56	12.4
1 to less than 2 years	93	16.5	59	13.0
2 to less than 5 years	135	23.9	103	22.7
5 to less than 10 years	100	17.7	133	29.4
10 years or more	170	30.1	102	22.5
		100		100
<b>Years working for authority</b>				
Less than 1 year	36	6.4	56	12.4
1 to less than 2 years	56	9.9	63	13.9
2 to less than 5 years	104	18.4	103	22.7
5 to less than 10 years	84	14.9	130	28.7
10 years or more	284	50.4	101	22.3
		100		100

The majority of respondents in England worked in their current job for 10 years or more (30.1 per cent), followed by 2 – 5 years, 5 – 10 years, 1 – 2 years and less than 1 year. In Malaysia, the majority respondents worked in their current job for 5 – 10 years, followed by 2 – 5 years, 10 years or more, 1 – 2 years, and less than 1 year. With regards to years of working for authority, half of respondents in England worked for their authority for 10 years or more. However, in Malaysia, majority respondents worked for their authority for 5 – 10 years (28.7 per cent). Therefore, the sample of workers in England worked more years in the current job and for authority as compared to the sample of workers in Malaysia.



In sum, the majority of respondents for this research worked in the Department of Waste (for England) and Planning (for Malaysia). The majority of respondents were female, married, aged between 21-45 years, worked permanently as frontline workers and members of the union. The most common ethnic groups in this research were White British and Malay. Finally, in comparison, workers in England were considered as more educated than workers in Malaysia; and England workers worked more years in the current job and for authority than Malaysian workers. The following section describes research context of this current research.

## **5.5 Research context**

The research contexts for this research project are local government organisations in England and Malaysia. England is part of the United Kingdom (UK). The UK is a country in the north-western coast of continental Europe. It is located on the island of Britain, off the coast of Europe and the north-eastern part of Ireland. It consists of Great Britain (i.e. England, Wales and Scotland) and Northern Ireland. Its total land area is almost 244,820 square kilometres and has more than 60.6 million populations (July 2006 estimation) (The World Factbook 2006). Whereas, Malaysia is a country in the Asian continent. It is situated in Southeast Asia, which bordered by Indonesia, Singapore and Thailand. Malaysia consists of two geographical regions divided by the South China Sea, which are West Malaysia, or also known as Peninsular Malaysia and East Malaysia. Its total land area is nearly 329,750 square kilometres and has approximately 24.4 million populations (July 2006 estimation) (The World Factbook 2006). Malaysia is a former colony.

once governed by the UK as part of the British Empire thus, Malaysia practices similar governmental system with England, which is a constitutional monarchy with an elected federal parliamentary government. Both England and Malaysia are a democracy country governed by an elected Prime Minister.

### **5.5.1 Local government systems in England**

The development of the UK local government was started since seventies, where the whole of England, Scotland and Wales had a two-tier system (Byrne 1983). A two-tier system has two sorts of council serving local people which are county councils (or in Scotland, they called regional) and a number of district councils. This system was changed in 1986 by the abolition of metropolitan county councils. The metropolitan counties of England are counties that cover large urban areas, each with several metropolitan districts. They are also known as a metropolitan district or metropolitan borough. In the nineties, the structure of local government in the UK experienced large changes. The system of two-tier local government which was introduced in the seventies by the Local Government Act (1972) and the Local Government (Scotland) Act (1973) was abolished in Scotland and Wales on April 1, 1996 and replaced with a fully unitary authorities system (Byrne 1983; Wilson and Game 1998).

A unitary authority is a type of local authority, which has a single-tier and is responsible for all local government functions within its area. This is opposed to a two-tier system where local government functions are divided between different authorities. In England, even though there were many unitary authorities have been created, some areas remained two-tier (i.e. a system similar to that prevailed

before 1974 in the whole of Great Britain). This means that in some areas there is a county council responsible for some services within a county with several district councils responsible for other services. These councils are elected in separate elections. Some areas have only one level of local government and these are dubbed unitary authorities. Therefore, the pattern of local government in England is more complex than other parts of the UK (Wilson and Game 1998).

The UK government administrative division is made up of four areas, which are: (i) England, 47 boroughs, 36 counties, 29 London boroughs, 12 cities and boroughs, 10 districts, 12 cities, and 3 royal boroughs; (ii) Northern Ireland, 24 districts, 2 cities, and 6 counties; (iii) Scotland, 32 council areas; and (iv) Wales, 11 county boroughs, 9 counties, and 2 cities and counties; along with four levels of administrative systems namely national, regional, local and parish (see Table 5.9 for four areas of UK government administrative divisions and types of council). The four levels of government are dealing with different issues and services (see Table 5.10).

Table 5.9 The types of council in the UK local government

Types of Council	Two-tier Structure	
County Councils	County Councils	34
District Councils	District Councils	238
	<b>All Purpose Authorities</b>	
London Borough	London Borough Councils	32
	Corporation of London	1
Metropolitan Districts	Metropolitan Districts/ Metropolitan Boroughs	36
	English Unitary Authorities	46
Unitary Authorities	Isles of Scilly	1
	Scottish Unitary Authorities	32
	Welsh Unitary Authorities	22
	<b>England, Wales &amp; Scotland Total</b>	<b>442</b>
	Northern Ireland District Councils	26
	<b>Grand Total</b>	<b>468</b>

Source: Guide to UK Local Government  
 [http://www.gwydir.demon.co.uk/uklocalgov/structure.htm]

Table 5.10 The UK government administrative system

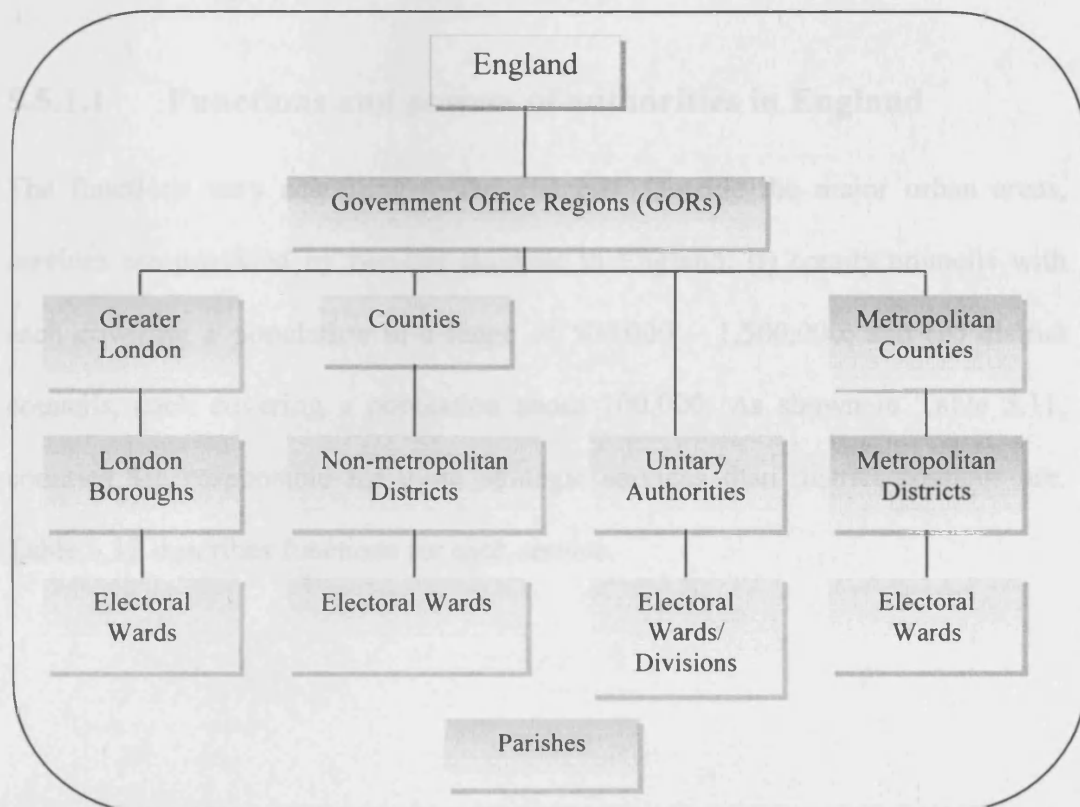
Level of Government	Name	Elected Representatives	Main Focus
National	House of Parliament/ Westminster	Members of Parliament	Making Laws, guiding lower levels of Government, nationally provided services e.g. Defence
Regional	Regional Assembly e.g. Welsh Assembly	Welsh Assembly Members	Law implementation, regionally provided services e.g. Development Agencies
Local	County/ Borough/City/ District Council	Councillors	Local provision of services e.g. Social Housing, Elections, Waste Collection and Disposal
Parish	Village Parish Council	Parish Councillors	Very local issues

Source: An Introduction to Local Government  
 [www.bigvote.org.uk/download.php?id=19]

Figure 5.2 shows the local government hierarchies in England. The top level of local government in England is the region. There are nine regions including

Greater London, which in some ways is a unique case. For example, Greater London has an elected Assembly and Mayor but the others have a relatively minor role with unelected regional assemblies and Regional Development Agencies. Each of the regions in England has a government office and assorted other institutions. Regions appear to have been introduced in their present form around 1994 and the policy of the current administration is to increase their power, including the introduction of elected assemblies where desired. The Traditional counties are still existing, although in the nineties, some of the districts within the counties became separate unitary authorities and a few counties have been disbanded completely (Wilson et al. 1994; Wilson and Game 1998).

Figure 5.2 Local government hierarchies in England



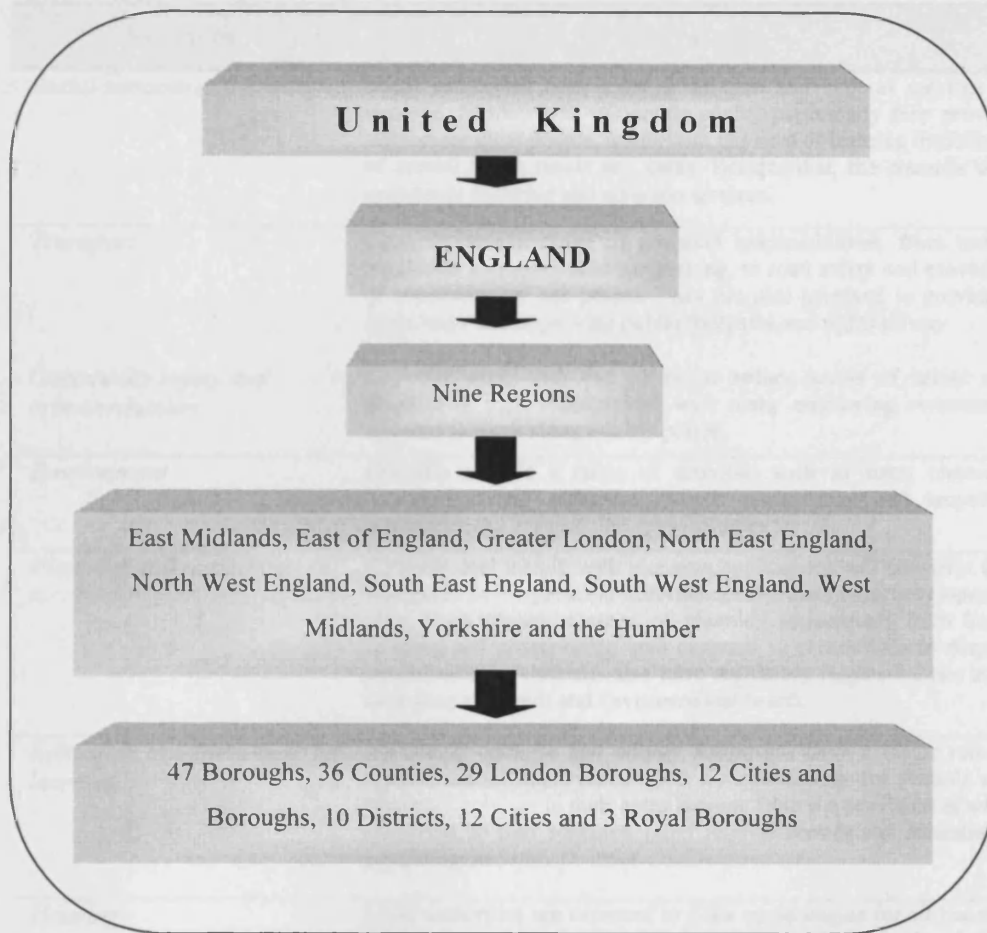
Source: National Statistics [<http://www.statistics.gov.uk/>]

There are also metropolitan districts in some areas that are similar to unitary authorities. In Greater London, there are London boroughs, which are similar to metropolitan. Counties are further divided into districts or also known as boroughs in some areas. Districts are divided into wards for electoral purposes. Districts may also contain parishes and town council areas with a small administration of their own. Other area classifications are also in use, such as health service and Lord-Lieutenant areas. As in total, England has 47 boroughs, 36 counties, 29 London Boroughs, 12 cities and boroughs, 10 districts, 12 cities and 3 royal boroughs (see Figure 5.3). At the moment, England has no elected officials responsible solely for the entire country (Wilson et al. 194; Wilson and Game 1998).

#### **5.5.1.1 Functions and powers of authorities in England**

The functions vary according to the councils. Outside the major urban areas, services are provided by two-tier councils in England: (i) county councils with each covering a population in a range of 500,000 – 1,500,000; and (ii) district councils, each covering a population about 100,000. As shown in Table 5.11, counties are responsible for more strategic services than district councils are. Table 5.12 describes functions for each service.

Figure 5.3 Local government structure in England



Source: UK Local Government Information  
 [<http://www.gwydir.demon.co.uk/uklocalgov/index.htm>]

Table 5.11 The UK local government services

County Councils	District Councils	Divided
Education	Local planning	Recreation
Social services	Housing	Cultural matters
Transport	Local highways	
Strategic planning	Building regulation	
Fire services	Environmental health	
Consumer protection	Refuse collection	
Refuse disposal		
Smallholdings		
Libraries		

Source: Guide to UK Local Government  
 [<http://www.gwydir.demon.co.uk/uklocalgov/structure.htm>]

Table 5.12 The UK local government functions

Services	Functions
<i>Social services and health</i>	Local authorities have a range of care and support services to children, families and vulnerable adults, particularly they provide support for older people, adults with physical or learning disabilities or mental health needs and cares. Besides that, the councils also coordinate fostering and adoption services.
<i>Transport</i>	Councils have a range of transport responsibilities, from traffic regulation and residential car parking, to road safety and provision of concessionary bus passes. They are also involved in providing cycle ways and improving public footpaths and rights of way.
<i>Community safety and crime reduction</i>	Councils work with the police to reduce levels of crime and disorder in their communities with many employing community wardens to work alongside the police.
<i>Environment</i>	Councils oversee a range of activities such as street cleaning, household waste collection, waste management and recycling schemes.
<i>Planning and regulation</i>	Councils deal mainly with planning applications and enquiries and will guide development in accordance with their local development plan. They receive a range of planning applications from listed building and conservation area consents to permissions to display advertisements. Councils also have regulatory responsibilities such as trading standards and environmental health.
<i>Education and lifelong learning</i>	All county councils and unitary authorities have a major role to support school improvement and a responsibility for schools and education services in their areas ranging from the provision of adult education, to play schemes, pupil referral centres and educational psychologists.
<i>Housing</i>	Local authorities are expected to draw up strategies for all housing in their areas based on proper assessments of the needs of their residents, including homeless people, and to make the best use of all resources available. They are responsible for monitoring the condition of housing in their local area, including privately owned property, maintaining council housing, making grants available to older homes and helping to adapt the homes of elderly and disabled people.
<i>Arts, sports and culture</i>	Councils have a wide-ranging involvement in cultural provision for their communities. In particular, they are responsible for local libraries, management of entertainment venues and coordination, and promotion of a variety of events and leisure activities. Authorities are also work alongside other organisations to provide sports and arts activities for young people in deprived areas.
<i>Cities, seaside and countryside</i>	Councils see the redevelopment and enhancement of their town centres, whether rural or urban, as important objectives with most working closely with their business community.

Source: Guide to UK Local Government

[<http://www.gwydir.demon.co.uk/uklocalgov/structure.htm>]



In the major urban areas, there is a single tier of councils responsible for all the services listed in Table 5.12, such as London borough councils. In terms of power, all councils have a general power to promote the economic, social and environmental well-being of their area. However, like all public bodies, they are limited by the common law or an Act of Parliament specifically or generally allows for. Local authorities also have the right to appoint members of Police Authorities and Fire Authority and they are practised through the Joint Boards, usually in areas where unitary authorities have been created, to avoid splitting up police forces or fire brigades. The metropolitan borough councils also appoint members to joint county-wide Passenger Transport Authorities to oversee public transport and joint waste disposal authorities, which were created after the county councils were abolished in 1986 (Wilson and Game 1998; Local Government Association 2005).

### **5.5.1.2 Local government funds in England**

Local councils are funded by a combination of the Council Tax, Central Government Grant and Service Provision Income (i.e. a range of fees and charges). Council Tax is a locally set tax based on house value, along with business rates. It is collected by the district-level council. Besides council tax, the councils have also receive 80 per cent of their funding directly from government through a general grant for services and special grants for programmes such as countering crime and a range of fees and charges. The government has a considerable influence on what each council can spend and each year it conducts standard spending assessments and announces allocations for each activity area

(Goldsmith 1993; UK Local Government 2005; Guide to UK Local Government 2005; Local Government Association 2005).

### **5.5.2 Local government systems in Malaysia**

Like most institutions of government in many countries that were former colonies, the present system of local government in Malaysia could be traced back to Britain, which colonised Malaysia for nearly two centuries. As Norris (1978) stated, Malaysia inherited a British legacy in terms of local government objectives and style thus British standards have influenced Malaysia. Hence, it is only logical and inevitable that early forms of local authorities introduced in Malaya tended to be modelled along their British institutions. A cursory look into the laws governing the local authorities in Malaysia, particularly during its formative stage, would show that most of these local government statutes were based on English laws. However, with the accretion of time, local government authorities in Malaysia have evolved into a system having its own identity, characteristics and laws that reflect the socioeconomic and political environment of the country (Norris 1978; Phang 1997b; Ministry of Housing and Local Government 2004).

The first two states to form local governments were Penang and Malacca. It was in Penang that the British formed a Committee of Assessors in 1801 and gave it the responsibility for planning and implementing urban development.

This laid the foundation for the establishment of local government in Malaysia. Local councils were later set up in Malacca and other Federated <sup>1</sup> and Unfederated Malay States <sup>2</sup> including those in Sabah and Sarawak. In order to operationalise the setting up of town boards and local councils as well as holding local elections, the British formulated various types of legislation. The Local Authorities Elections Ordinance (1950) for instance, granted the town councils the power to organize elections. In another case, the Local Councils Ordinance (1952) was formulated to provide power to local residents to establish local councils if it was deemed necessary (Abbas 1995; Phang 1997b).

At the end of colonial period, there were 289 local councils in Malaya <sup>3</sup>. After Independence in 1957, when the Federal Constitution came into existence, local government outside the federal territory was placed under the state list. The post-independence period of the sixties was a turbulent one for local government authorities in Malaysia. Internal administrative and political problems facing the local councils and the violent confrontation against the newly-formed Malaysian federation by Indonesia in 1964, led to the suspension of local government elections. This suspension was executed through the enactment of two regulations namely, the Emergency (Suspension of Local Government Elections) Regulations (1965) and the Emergency (Suspension of Local Government Elections) Amendments Regulations (1965).

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<sup>1</sup> Federated Malay States: Pahang, Perak, Selangor and Negeri Sembilan, established by the British government in 1895 and lasted until 1946.

<sup>2</sup> Unfederated Malay States: Johore, Trengganu, Kelantan, Kedah and Perlis (1895-1946).

<sup>3</sup> Federation of Malaya (1950-1963).

Since then, local governments in Malaysia were never to experience another election again until today even though the local government system in Malaysia has undergone many positive changes (Norris 1978; Taib 1995). The three parent laws enacted in Malaysia local government are the Street, Drainage and Building Act 133 (1974), the Local Government Act 171 (1975), and the Town and Country Act 172 (1976) (Malaysia Government 2003a; 2003b; 2003c).

Currently, Malaysia government administrative division is made up of 13 states and 3 Federal Territories of Kuala Lumpur, Labuan and Putrajaya; along with three levels of administrative systems namely federal, state and district. Malaysia has six types of local authorities, prior to the restructuring exercise and the adoption of Local Government Act of 1976. These are the City Hall of Kuala Lumpur, Municipal Council, Town Council, Town Board, Rural District Council and Local Councils. The designation of a local government is dependent on its population. For example, urban areas may fall into one of the first two types of local authorities and an area is so classified when its population exceeds 100,000 people.

All together, Malaysia has 145 local authorities of which 97 are in Peninsular Malaysia, 23 are in Sabah (i.e. including Federal Territory of Labuan) and 25 are in Sarawak. As a whole, there are seven city hall/city councils, 34 municipal councils and 104 district councils in Malaysia (see Table 5.13 for details). However, due to the expansion of service areas and administrative convenience, it is expected that more local councils will be established or that the present districts will be upgraded to a municipal status. For instance, the Selayang Municipal

Council and the Ampang Jaya Municipal Council were formerly respectively known as the Gombak District Council and the Ulu Langat District Council. Of 145 local authorities in Malaysia, 97 local authorities are in Peninsular Malaysia and of these, 12 are in Selangor. Currently, there are twelve authorities in Selangor state: one city council, six municipal councils, and five district councils (Ministry of Housing and Local Government 2004; 2006). Figure 5.4 shows local government structure in Selangor.

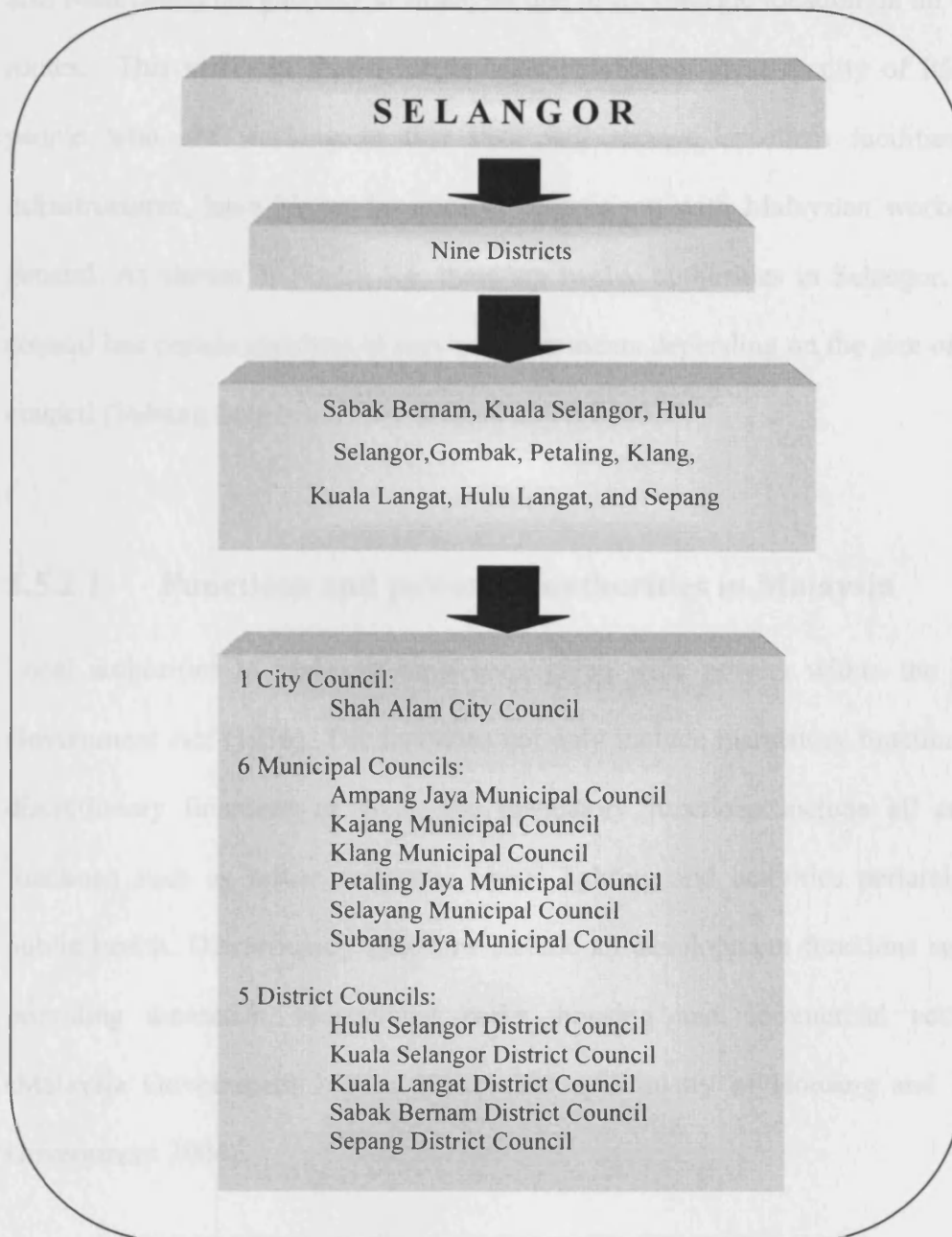
Table 5.13 Local government by state (as at July 2004)

State	City*	Municipal Council	District Council	Total
Johor	1	4	9	14
Kedah	-	4	7	11
Kelantan	-	1	11	12
Melaka	-	1	2	3
Negeri Sembilan	-	3	5	8
Pahang	-	2	9	11
Perak	1	2	12	15
Perlis	-	1	-	1
Pulau Pinang	-	2	-	2
Selangor	1	6	5	12
Terengganu	-	2	5	7
WP Kuala Lumpur	1	-	-	1
<b>Total</b>	<b>4</b>	<b>28</b>	<b>65</b>	<b>97</b>
Sarawak	2	3	20	25
Sabah	1	2	19	22
WP Labuan	-	1	-	1
<b>Sub-Total</b>	<b>3</b>	<b>6</b>	<b>39</b>	<b>48</b>
<b>Total</b>	<b>7</b>	<b>34</b>	<b>104</b>	<b>145</b>

Source: Ministry of Housing and Local Government (2004; 2006)

Note: \* City Hall Kuala Lumpur; City Hall Kuching Utara; City Hall Kota Kinabalu; City Council Ipoh; City Council Kuching Selatan; City Council Johor Bharu; City Council Shah Alam

Figure 5.4 Local government structure in Selangor



Source: Ministry of Housing and Local Government (2004; 2006)

Selangor is the most developed state in Malaysia, with the largest port and airport and has high density of population. Selangor was officially declared as first development state in Malaysia on the 27<sup>th</sup> of August 2005. The largest number of higher learning institutions is located in Selangor. Besides that, its communication

facilities and infrastructure are among the best in the region. Selangor state has also been called the gateway to Malaysia due to its strategic location on all travel routes. This indicates that Selangor state provides a great quality of life and people who are working in this state will receive excellent facilities and infrastructures, have higher incomes in comparison with Malaysian workers in general. As shown in Figure 5.4, there are twelve authorities in Selangor. Each council has certain numbers of service departments depending on the size of each council (Subang Jaya Municipal Council 2004; 2006).

### **5.5.2.1 Functions and powers of authorities in Malaysia**

Local authorities in Malaysia have been given wide powers within the Local Government Act (1976). The functions not only include mandatory functions but discretionary functions as well. The mandatory functions include all critical functions such as refuse collection, street lighting and activities pertaining to public health. Discretionary functions include all development functions such as providing amenities, recreational parks, housing and commercial activities (Malaysia Government 2003a; 2003b; 2003c; Ministry of Housing and Local Government 2004).

The provisions of the Local Government Act grant local authorities the following roles:

- Local planning authority
- Licensing authority
- Power to impose certain kinds of taxes

- Undertake building, housing and commercial construction (markets, hawker stalls etc.)
- Power to perform urban planning and management functions
- Traffic management and control (manage urban public transport systems)
- Power to plan and provide public utilities

Two other main laws, the Town and Country Planning Act (1976) and the Street, Drainage and Building Act (1974), help local governments to perform their functions under the 1976 Act. These Acts allow the local authorities to assume more developmental functions in the field of urban management and play a more dynamic role in national development (Malaysia Government 2003a; 2003b; 2003c). The major functions of local authorities' services are summarised in Table 5.14.



Table 5.14 The local authorities' functions in Malaysia

Services	Functions
<i>Public health and cleansing</i>	This function includes the provision of sanitation and solid waste management system, cleaning drains and roads and the general upkeep of the environment. The licensing of hawkers, stallholders, shop and business operators whose businesses are public nuisances and obnoxious in nature, falls under this function as well.
<i>Public amenities</i>	This applies to services such as abattoirs, veterinary services, transportation, burial grounds and crematoria.
<i>Social functions</i>	Some larger municipalities provide social services such as childcare centres, clinics within their health care service programmes, ambulance and hearse services. Besides these, they maintain fountains, arrange for lighting public streets and other public services, and provide manual labour and facilities to state governments or the district offices to assist in the organization of ad hoc social services at the state and district levels.
<i>Environmental</i>	This relates to functions of maintenance and improvement of the environment within the area of jurisdiction. This includes obligatory services such as cleansing, collection and disposal of solid wastes, proper drainage and sewage, sewerage system and beautification programmes.

Source: Ministry of Housing and Local Government (2004)

### 5.5.2.2 Local government funds in Malaysia

In Malaysia, local government revenue can be obtained from within local sources and can consist of taxes, rates, rents fees, fines, user-charges, dividends from investments and income arising from any of its properties (Phang 1997). The other forms of revenue for the local authorities are grants, contributions, in-aid-of rates from the federal and state governments and other public authorities. Loans may also be raised but they are subject to approval by the State Authority. Malaysia Ministry of Housing and Local Government also have its own classification preference and the sources of income for all local authorities are classified under five groups. These are: (i) assessment rates/tax or property tax; (ii) car parking

charges, planning fees, compounds, fines and interests; (iii) governmental grants; (iv) licences and permits; and (v) rentals and loans (Ministry of Housing and Local Government 2004).

## **5.6 Data collection method**

In order to obtain data from the chosen samples, the current research used a self-administered questionnaire survey. Other data collection methods are briefly showed in Table 5.15, explaining advantages and disadvantages of each method.

### **5.6.1 Questionnaire survey**

According to the current research objectives, the researcher intended to investigate the effects of best practice HRM on workers' attitudes in both England and Malaysia local government organisations. In order to determine the workers' attitudes towards best practice HRM in particular local government service departments, the researcher adopted a questionnaire survey to measure workers' outcomes included motivation, job satisfaction, organisational citizenship behaviour, stress and intention to quit. Thus, questionnaire survey was a key data collection device in the current research.

Table 5.15 Advantages and disadvantages of the most typical data collection methods

	Mail survey	Telephone interview	Personal interview	Internet
<i>Speed of data collection</i>	Researcher has no control over return of questionnaire; slow	Vary fast	Moderate to fast	Instantaneous
<i>Geographically flexibility</i>	High	High	Limited to moderate	Worldwide
<i>Respondent cooperation</i>	Moderate-poorly designed questionnaire will have low response rate	Good	Excellent	Varies depending on website
<i>Versatility of questioning</i>	Highly standardised format	Moderate	Quite versatile	Extremely versatile
<i>Questionnaire length</i>	Varies depending on incentive	Moderate	Long	Modest
<i>Item non-response</i>	High	Medium	Low	Software can assure none
<i>Possibility for respondent misunderstanding</i>	Highest-no interviewer available for clarification	Average	Lowest	High
<i>Degree of interviewer influence on answers</i>	None-interviewer absent	Moderate	High	None
<i>Supervision on interviewers</i>	Not applicable	High, especially with central-location WATS interviewing	Moderate	Not applicable
<i>Anonymity of respondent</i>	High	Moderate	Low	Respondent can be anonymous or known
<i>Ease of call-back or follow-up</i>	Easy, but takes time	Easy	Difficult	Difficult
<i>Cost</i>	Lowest	Low to moderate	Highest	Low
<i>Special features</i>	Respondent may answer questions at own convenience; has time to reflect on answers	Simplified fieldwork and supervision of data collection; quite adaptable to computer technology	Visual materials may be shown or demonstrated; extended probing possible	Stream media allow graphics and animation

Source: Zikmund (2000: 212)

The reasons for choosing the questionnaire survey as the main study instrument was primarily due to it being a practical and efficient way of collecting data (deVaus 2002; Ary et al. 2005). Besides that, the method is inexpensive and each respondent is exposed to exactly the same wording. It also avoids any opportunity for the respondent to be biased and a considered reply can be given since it allows respondents time to reflect or consult any necessary documents (Oppenheim 1992). Moreover, as stated by Balnaves and Caputi (2001), conducting a questionnaire survey in modern societies is to evaluate the effectiveness of programmes for changing people's knowledge, attitudes, health or welfare.

A questionnaire survey is identified with cross-sectional design (Oppenheim 1992) because data collected in the survey provides information about the same variables from at least two cases or more observations (deVaus 1996; 2002). Thus, the use of questionnaire survey permits the researcher to study more variables at one time than is typically possible in laboratory or field experiments as data can be collected about real world environments.

The current research is a comparative research. According to Oyen (1990), comparative and cross-national research sets out to investigate particular issues of phenomena in two or more countries with the intention of comparing their manifestations in different socio-cultural settings, such as customs, traditions, value system, lifestyles and language, using the same research instrument. Therefore, the current research has adopted the *2003 UK Local Government Workplace Survey* questionnaire, which has been developed by Gould-Williams (2003) to examine the effects of management practice and organisational context

on workers' perceptions of their working environment and organisational performance in UK local government. Data for England were obtained from Gould-Williams's (2003) study.

As for Malaysia, data were collected using the same instrument but with several changes in background section. Since Malaysia is a non-Westernised country therefore, the questionnaire was translated from English to Malay. In order to achieve equivalent translations, Alder (1983) suggested two main translation procedures:

- (i) Back-translated - translated and then back-translated into the original language using a bilingual target population, or
- (ii) Translated by an expert – translated independently by excellent bilingual translators who are familiar with both languages and the subject matter.

Thus, a translator who is fluent in both languages has made a forward translation from English to Malay. Later, a different translator, who is also fluent in both languages and who has not seen the original English questionnaire, did a back translation into English. Finally, the questionnaire survey was administered to front-line workers, supervisors and middle managers of the local authorities under study. The period for conducting the questionnaire survey was planned as three months including negotiating access and questionnaire collection, which was held on June, July and August 2004.

### 5.6.1.1 Types of questions

In descriptive inquiry, the researcher is seeking to estimate as precisely and comprehensively as possible a problem area (Miller 1983). Thus, both open-ended and closed-ended questions were used in the questionnaire. In the current research, the questionnaire was structured in three forms, which were the completion items or fill-in items, the checklists, and the Likert-type items. Completion, or fill-in items are open-ended questions to which the respondents gave their own answers stated in their own words. Respondents were also given the opportunity to make additional comments if they so desired.

Checklists present a number of possible answers in which the respondents were asked to check those that applied. For example, question 1(a), in General Background Information Section, *Which department do you work in?* For this question, respondents were given five alternative answers to be ticked, which were *Benefits/Revenue, Planning, Housing Management, Waste Management, and Leisure*. The Likert-type items as shown in Figure 5.5, let respondents to indicate their responses to selected statements on a continuum from 1 (strongly disagree) to 7 (strongly agree). A full copy of the questionnaire is provided in Appendix 5.1 (a) and 5.1 (b).

Figure 5.5 An example of the Likert-type items in this current research

Section One: **MANAGEMENT**

Please tick one box in each row, to indicate the extent to which you agree or disagree with each of the following statements describing **MANAGEMENT PRACTICES** in your authority.

**Strongly Agree** ←————→ **Strongly Disagree**

1. Senior management have a clear vision of how this Council is planning to improve services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Senior management are not interested in listening to staff opinions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Our line manager/supervisor consults us before making decisions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Our line manager/supervisor asks us for suggestions when faced with service-related problems	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Our line manager/supervisor considers the personal welfare of our group	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. When I'm on a difficult assignment I can usually count on getting assistance from my line manager/supervisor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. My line manager/supervisor praises me when I do a good job	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. My line managers/supervisor spends too much time monitoring and controlling the work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### 5.6.1.2 Contents of the questionnaire

The questionnaire consisted of five sections including a total of 60 statements which were used to examine best practice HRM and worker attitudes. All items were derived from the English questionnaires. The sources of these questions can be found elsewhere (Gould-Williams 2007). The final section of the questionnaire asked for general background information. The measures used in the current research were explained as follows:

#### ***(a) Independent variables:***

According to Lepak and Snell (2002), although scholars support the idea of the specific set of best practice HRM, the question of which practices should be compliment together seems unanswered. In addition, Boselie et al. (2005: 74) argued that *“until consensus is achieved on conceptual matters, and perhaps even then, it would seem that HRM can consist of whatever researchers wish or, perhaps, what their samples and data sets dictate”*. Therefore, as for this research, the practices were selection, team working, performance appraisal, training, communication, rewards, and compensation.

A single item measure was used to examine the extent to which each of selection, team working and performance appraisal were used in organisations. Accordingly, the measures were: *A rigorous selection process is used to select new recruits/workers; Team working is strongly encouraged in our department; and Staff is given meaningful feedback regarding their individual performance, at least once each a year.*



Training was assessed by combining two items: (i) *In this department, we are provided with the training needed to achieve high standards of work;* and (ii) *I am provided with sufficient training and development.* Workers were asked the extent to which they experienced communication in the organisation by using three items: (i) *We are kept well informed of what is going on in this authority;* (ii) *Communication within this department is good;* and (iii) *This department keeps me well informed.* As for the measures of rewards and compensation, these were based on two items: (i) *I feel rewarded for the amount of effort I put into my job;* and (ii) *I feel I am paid a fair amount for the work I do.* Organisational Climate was measured by using the following seven items:

- (i) *Our line manager/supervisor considers the personal welfare of our group;*
- (ii) *When I'm on a difficult assignment I can usually count on getting assistance from my line manager/supervisor;*
- (iii) *Our line managers/supervisors are quick to blame us when things don't turn out as planned;*
- (iv) *My work mates/colleagues resist change;*
- (v) *I am treated fairly by this department;*
- (vi) *There's a friendly, supportive atmosphere amongst staff in this department;*  
*and*
- (vii) *The morale in this department is very low.*

Two measures were used to assess workers involvement. These were: (i) *Our line manager/supervisor consults us before making decisions;* and (ii) *Our line manager/supervisor asks us for suggestions when faced with service-related problems.* The extent to which *line managers/supervisors and staff trusted each*

*other* was used to measure workers' trust. Finally, workers' resources were measured using a single item of understaffed (i.e. *This service is understaffed*) and two items of work pressure (i.e. *I am under too much in my job; My job involves too much work to do everything well*).

**(b) *Dependent variables***

A single item statement was used to measure workers' motivation where workers showed the degree to which they *look forward to coming to work*. Workers were asked about their job satisfaction in a single item measure that is: *Overall, I am very satisfied with my work and could not be more satisfied*. A single item measure in which workers indicated the extent to which they were *prepared to do extra work for no additional pay, but just to help others* was used to measure workers' organisational citizenship behaviour. The following three items were used to assess worker levels of related pressure and stress: (i) *My workload negatively affects the quality of my life (e.g. family or social activities)*; (ii) *Some days I feel I can't continue in this job due to work pressures*; and (iii) *In my job, I am often confronted with problems I can't do much about*. Workers showed the degree of their intention to quit the organisation by responding to a single item statement: *I would like to leave my job*. Finally, two statements were used to assess perceived organisational performance as following: (i) *This department provides excellent service when compared to similar services in other authorities*; and (ii) *This department has a good reputation*.

For all statements, workers were required to indicate the degree to which they agreed or disagreed with each statement using a seven-point Likert scale (1 = strongly disagree to 7 = strongly agree). The summary of the measurement scales are as presented in Table 5.16. Next, the Cronbach's alpha for each measurement scale will be explained.

### **5.6.1.3 Cronbach's alpha of measurement scales**

Internal consistency indicates the homogeneity of items comprising a measurement scale. There are several ways of assessing internal consistency and an item analysis in the form of Cronbach's alpha coefficient is the most frequently used (Hair et al. 1998; Eachus 1999; Black 2002). The alpha coefficient is computed by correlating all the scores on individual items with the overall score on the test. As a general rule of thumb, a value of .70 or greater is considered a strong indicator of reliability (Churchill 1979; Eachus 1999; Pallant 2002). However, Nunnally (1967) argues that values above .50 should be adequate. Peterson (1994) and Slater (1995) advance the case of an acceptable criterion in use level of .60. Zeithaml et al. (1996) and Hair et al. (1998) who state that coefficient alpha values at about that level are acceptable in early studies support it. As can be seen from Table 5.16, the Cronbach's alpha values for both England and Malaysia were above the generally accepted limits, but tended to be somewhat higher for the England sample. Therefore, the internal consistency was greater in the England sample. Nevertheless the measures used in the Malaysia analysis are within the generally acceptable range (Hair et al. 1998; Pallant 2002).

Table 5.16 Measurement scales for variables and their Cronbach's alpha: England and Malaysia sample

		Item (s)	Cronbach's alpha	
<b>Independent variables:</b>				
<b>Best practice HRM:</b>				
Selection		A rigorous selection process is used to select new recruits/workers.	n.a.	n.a.
Training		In this department, we are provided with the training needed to achieve high standards of work. I am provided with sufficient training and development.	$\alpha = .88$	$\alpha = .73$
Team working		Team working is strongly encouraged in our department.	n.a.	n.a.
Performance appraisal		Staff are given meaningful feedback regarding their individual performance, at least once each a year.	n.a.	n.a.
Rewards		I feel fairly rewarded for the amount of effort I put into my job. I feel I am paid a fair amount for the work I do.	$\alpha = .71$	$\alpha = .51$
Communication		We are kept well informed of what is going on in this authority. Communication within this department is good. This department keeps me well informed.	$\alpha = .81$	$\alpha = .70$
Climate		Our line manager/supervisor considers the personal welfare of our group. When I am on a difficult assignment, I can usually count on getting assistance from my line manager/supervisor. Our line managers/supervisors are quick to blame us when things don't turn out as planned. (Reversed score) My work mates/colleagues resist change. (Reserved score) I am treated fairly by this department. There's a friendly, supportive atmosphere amongst staff in this department. The morale in this department is very low. (Reserved score)	$\alpha = .80$	$\alpha = .76$
Involvement		Our line manager/supervisor consults us before making decisions. Our line manager/supervisor asks us for suggestions when faced with service-related problems.	$\alpha = .86$	$\alpha = .78$
Trust		Line managers/supervisors and staff trust each other.	n.a.	n.a.
<b>Resources:</b>				
Understaffed		This service is understaffed.	n.a.	n.a.
Work pressure		I am under too much pressure in my job. My job involves too much work to do everything well.	$\alpha = .80$	$\alpha = .59$

Table 5.16 (continued)

		Item (s)	Cronbach's alpha	
<b>Dependent variables:</b>				
Motivation		I look forward to coming to work.	n.a.	n.a.
Job satisfaction		Overall, I'm very satisfied with my job and couldn't be more satisfied.	n.a.	n.a.
Organisational citizenship behaviour		I'm prepared to do extra work for no additional pay, just to help others.	n.a.	n.a.
Stress		My workload negatively affects the quality of my life (e.g. family or social activities). Some days I feel I cannot continue in this job due to work pressures. In my job, I am often confronted with problems I cannot do much about.	$\alpha = .76$	$\alpha = .68$
Intention to quit		I would like to leave my job.	n.a.	n.a.
Perceived organisational performance		This department provides excellent service when compared to similar services in other authorities. This department has a good reputation.	$\alpha = .85$	$\alpha = .89$

#### **5.6.1.4 Questionnaire administration**

According to Saunders et al. (1997), there are two types of questionnaire administration, known as self-administered: (i) mail and (ii) delivery and collection approach; and interviewer administered: (i) telephone questionnaire and (ii) structured interview. The current research selected the self-administered questionnaire method in order to collect data whereby the researcher delivered the questionnaires personally to each organisation and then collected them upon completion. This method was selected to ensure an adequate response rate. It was considered a more suitable data collection method for Malaysian environment as compared to mail questionnaire due to anticipated low response rates for mail questionnaires. For example, as Miller (1983) stated, the response rate to mail questionnaires normally do not exceed 50 per cent and intensive follow-up efforts are required to increase returns. Similarly, Nachmias and Nachmias (1996) agreed that the response rate for mail questionnaires is relatively low, falling somewhere between 20 per cent and 40 per cent. An example in Malaysian study by Mansor and Ali (1998) confirmed that response rate in Malaysia was 35 per cent.

Further, the delivery and collection method has been chosen because the target respondents were all located in the same city and they were not far away from each other. Since the researcher only had three months to complete the questionnaire administration, the delivery and collection self-administrated questionnaires were employed and it would guaranteed that each questionnaire arrived at the right destination in the local authorities.

Prior to the actual survey, access letters were sent to each local authority which drew attention to the importance of the survey, the purpose of the current research, a request for cooperation, the protection provided the respondent (i.e. the confidentiality and how it will be maintained) and a note of appreciation (see Appendix 5.2 (a) and 5.2 (b) for copy of access letters). Later, appointments were arranged by telephone with Human Resource managers of each local authority in order to explain the approach to questionnaire distribution in more detail. However, after several calls, the appointments were delegated to their subordinates as showed in Table 5.17. Those officers acted as gatekeepers to the authority and helped the researcher to distribute and collect the completed questionnaires.

Table 5.17 Officers acted as gatekeepers and helped the researcher to distribute and collect the completed questionnaires

<b>Name of council</b>	<b>The officers who helped the researcher</b>
Shah Alam City Council	Human Resource Assistant Officer
Petaling Jaya Municipal Council	Human Resource Officer (Training Department)
Subang Jaya Municipal Council	Personal Assistant of the Human Resource Manager
Ampang Jaya Municipal Council	Chief Clerk of Human Resource Department

After the appointments were made, a total of 750 self-administered questionnaires were randomly distributed to front-line workers, supervisors and middle managers who worked in five service departments across the four local authorities in

Selangor state. The departments included Benefits/Revenue, Planning, Housing Management, Waste Management, and Leisure. Again, these service departments were chosen because they were similar to those used in the 2003 England Local Government Survey. On this basis, data from the same service departments could be compared.

Each self-administered questionnaire was sent to respondents together with a covering letter that explained the importance of the study, the nature, the purpose of the research, and provided assurance that the anonymity of respondents would be preserved (see Appendix 5.3 (a) and 5.3 (b) for copy of covering letter).

Besides selecting the delivery and collection self-administered questionnaire method, preparing a cover letter, and providing personalised envelopes for each questionnaire, the current research made several reminders through telephone calls in order to maximise the response rates. As deVaus (2002) suggested, at least two or three follow-ups are needed to increase response rates. As for the first stage of follow-up, two weeks following the distribution of questionnaires, the researcher collected the completed questionnaires from each authority. Prior to that, the researcher made phone calls with the gatekeepers in order to ensure that the completed questionnaires were returned to them and ready to be collected.

The second follow-up was done from the fourth week following the distribution of questionnaires. Some respondents needed reminders before they finally filled in the questionnaire. This process was carried out carefully, thus the researcher used 'inter-personal skills' and persuasion to ensure the gatekeepers were co-operative.



Again, the researcher made phone calls with the gatekeepers in prior to collect the completed questionnaires. However, a problem occurred with one of the council, which was the Ampang Jaya Municipal Council, where the gatekeeper refused to cooperate more as she sent many reminders to respondents. Thus, the researcher initiated to meet the respondents herself and was permitted by the gatekeeper. The researcher re-sent questionnaires to Planning and Revenue service departments of Ampang Jaya Municipal Council and collected the completed questionnaires the following 2 weeks.

Besides follow up, the researcher offered three lucky draws to all respondents in order to encourage them to complete the questionnaire. The idea of giving lucky draws was because material incentives have been found to increased response rates (deVaus 2002). Also, the comparator England survey offered incentives to respondents to optimise response rates.

#### **5.6.1.5 Response rate and non-response bias**

As discussed in the previous section, the current research used several strategies to maximise response rates. There are summarised in Table 5.18. A total of 750 questionnaires were equally distributed to all authorities except Shah Alam City Council, which received 300 questionnaires. This is because Shah Alam City Council has greater number of workers as compared to Petaling Jaya Municipal Council, Subang Jaya Municipal Council and Ampang Jaya Municipal Council. Of the 750 questionnaires issued, 453 questionnaires were completed and returned. The response rate was 60.4 per cent. With regards to England, of the

1136 questionnaires distributed, 569 questionnaires were returned. The response rate was 50.1 per cent (Gould-Williams 2003).

Table 5.18 Strategies to maximise response rates

<b>Strategies to maximising response rates</b>	
<i>Delivery and collection self-administered questionnaire method</i>	Select a self-administered questionnaire method whereby the researcher personally deliver the questionnaires to each organisation and then collect them upon completion.
<i>Cover letter</i>	Present a simple official cover letter that explaining the importance of the current research, the nature, the purpose of the research, and providing assurance that the anonymity of respondents would be preserved.
<i>Personalised envelopes</i>	Provide personalised envelopes in order to produce a greater sense of personalisation.
<i>Lucky draws</i>	Lucky draws as material incentives to induce a feeling of commitment in the respondents.
<i>Follow-ups</i>	Use two follow-ups to persuade the respondent to complete the questionnaire.

The highest response rate was attained by Petaling Jaya Municipal Council (i.e. 94 per cent), followed by Subang Jaya Municipal Council (i.e. 79.3 per cent), Shah Alam City Council (i.e. 43 per cent) and Ampang Jaya Municipal Council (42.7 per cent), accordingly. Both Petaling Jaya Municipal Council and Subang Jaya Municipal Council attained high response rates possibly due to high commitment of gatekeepers, excellent cooperation from workers, and good personal contact between the researcher and the gatekeeper of Petaling Jaya Municipal Council. Table 5.19 to Table 5.22 provide a brake down of responses by councils, services department, and follow-ups.

Table 5.19 Analysis of responses by councils

Name of council	Number of questionnaires sent	Number of returned questionnaires	Response rate (%)	% of total responses
Shah Alam City Council	300	129	43.0	28.5
Petaling Jaya Municipal Council	150	141	94.0	31.1
Subang Jaya Municipal Council	150	119	79.3	26.3
Ampang Jaya Municipal Council	150	64	42.7	14.1
<b>Total</b>	<b>750</b>	<b>453</b>	<b>60.4</b>	<b>100</b>

Table 5.20 Analysis of responses by services departments

Name of services department	Number of questionnaires sent	Number of returned questionnaires	Response rate (%)	% of total responses
Benefits/Revenue	196	124	63.3	27.4
Planning	140	112	80.0	24.7
Housing Management	150	102	68.0	22.5
Waste Management	155	53	34.2	11.7
Leisure	109	62	56.9	13.7
<b>Total</b>	<b>750</b>	<b>453</b>	<b>60.4</b>	<b>100</b>

Table 5.21 Analysis of responses by councils and services department

Name of council	Name of services department	Number of questionnaires sent	Number of returned questionnaires	Response rate (%)	% of total responses
Shah Alam City Council	Benefits/Revenue	106	44	41.5	9.7
	Planning	50	30	60.0	6.6
	Housing	60	41	68.3	9.1
	Waste	65	8	12.3	1.8
	Leisure	19	6	31.6	1.3
Petaling Jaya Municipal Council	Benefits/Revenue	30	30	100.0	6.6
	Planning	30	30	100.0	6.6
	Housing	30	28	93.0	6.2
	Waste	30	26	87.0	5.7
	Leisure	30	27	90.0	6.0
Subang Jaya Municipal Council	Benefits/Revenue	30	30	100.0	6.6
	Planning	30	30	100.0	6.6
	Housing	30	25	83.3	5.5
	Waste	30	10	33.3	2.2
	Leisure	30	24	80.0	5.3
Ampang Jaya Municipal Council	Benefits/Revenue	30	20	66.7	4.4
	Planning	30	22	73.3	4.9
	Housing	30	8	26.7	1.8
	Waste	30	9	30.0	2.0
	Leisure	30	5	16.7	1.1
Total		750	453	60.4	100

Table 5.22 Analysis of responses by follow-ups

Name of council	Name of services department	Number of questionnaires sent	Number of returned questionnaires	
			1 <sup>st</sup> Follow-up	2 <sup>nd</sup> Follow-up
Shah Alam City Council	Benefits/Revenue	106	23	7
	Planning	50	31	13
	Housing	60	8	0
	Waste	65	30	11
	Leisure	19	0	6
		300	92	37
Petaling Jaya Municipal Council	Benefits/Revenue	30	20	10
	Planning	30	21	9
	Housing	30	24	2
	Waste	30	22	6
	Leisure	30	0	27
		150	87	54
Subang Jaya Municipal Council	Benefits/Revenue	30	20	10
	Planning	30	15	15
	Housing	30	6	4
	Waste	30	25	0
	Leisure	30	23	1
		150	89	30
Ampang Jaya Municipal Council	Benefits/Revenue	30	16	6
	Planning	30	12	8
	Housing	30	9	0
	Waste	30	8	0
	Leisure	30	5	0
		150	50	14
<b>Total</b>		<b>750</b>	<b>318</b>	<b>135</b>
<b>% of total responses</b>			<b>42.4</b>	<b>18</b>

In order to check for the potential of non-response bias, it is recommended to compare the last quartile respondents with the first quartile respondents (Lambert and Harrington, 1990). Thus, the current research compared the first 40 respondents with the last 40 respondents. A series of t-tests were conducted for all the items indicated on the Likert-scale. The results presented that most assessment yielded no significant differences ( $p > .05$ ) between the two groups with regard to workers' perceptions towards HRM practices. Therefore, it can be assumed that the data have not been affected by non-response bias.

## **5.7 Analysis of data**

According to Kerlinger (1986), all research question data require to be analysed and the results of the analysis need to be interpreted. Therefore, statistical analysis was employed to test the kinds of relationships between variables. The statistical packages were chosen because it is a major tool for analytical purposes in social science research (Nachmias and Nachmias 1996). Kerlinger (1986) states that there are three major purposes for using statistical analysis including:

- (i) reducing large quantities of data to a manageable and understandable form;
- (ii) to assist the study of the population and samples; and
- (iii) to aid in making reliable inferences.

deVaus (1996) also indicates three points that affect how data are analysed: (i) the number of variables being examined at a time; (ii) the level of measurement of the variables; and (iii) whether data are used for descriptive or inferential purposes.

In order to describe the data, which have been collected, the current research employed descriptive analysis. Descriptive analysis is ideally suited for cross-sectional survey design and it involves counting to establish how many respondents have a particular opinion (deVaus 1996). Frequency scores, percentages, means, and standard deviations were referred to. In descriptive statistics, three main measures were used to describe the data include measures of tendency, measures of variability and measures of location. Measures of tendency were used to check if the distribution is a normal distribution or skewed. The mean, median and mode are three measures of central tendency. The dispersion or variability of distribution can be measured by looking at range, percentile or standard deviation. Range is the simplest way to measure variation where as standard deviation is the most useful and powerful indicator of spread (Sapsford and Jupp 1996) and the most comprehensive and widely used (Neuman 2000). Since different variables are often measured in different units, one regular way to measure the location of distribution is to use percentages, and standard scores or z-scores (Sapsford and Jupp 1996).

Besides descriptive statistics, this study also used inferential statistics. Inferential statistics was employed because it can identify whether sample results hold true in a population and decide whether differences are in results. For example, t-test analyses are big enough to indicate that a relationship really exists. It relies on principles from probability sampling to test hypotheses formally, permit inferences from a sample to population and test whether descriptive results are likely to be due to random factors or to a real relationship. Thus, inferential statistics are a precise way to discuss about how confident the researcher can be

when inferring from the results in a sample to the population (Neuman 2000). In sum, this current research used both descriptive and inferential statistics to analyse data.

## **5.8 Summary**

This chapter positioned the current research within the positivism research philosophy. It described the research strategies and research methods adopted for the current research and justified the rationale for choosing the approaches. Figure 5.6 presents the research design and research method for current research.

In brief, this research is a descriptive research as it helps to describe the effects of best practice HRM on worker attitudes in England and Malaysia local government organisations, using a cross-sectional data collection method, and a self-administered questionnaire of data collection technique. This research used a deductive approach to theory construction. The research context is local government organisations in England and Malaysia. The population is grouped into five departments namely Benefits/Revenue, Planning, Housing, Waste, and Leisure; and samples are selected randomly from each department. With regards to sampling frame, this research is based on workers from 45 service departments in England and 20 service departments in Malaysia local government organisations. The sampling unit consists of front-line workers, supervisors and middle managers working in England and Malaysia local government organisations. Thus, by using a stratified random sampling technique, the sample



is 569 and 453 front-line workers, supervisors and middle managers from England and Malaysia local government organisations, respectively.

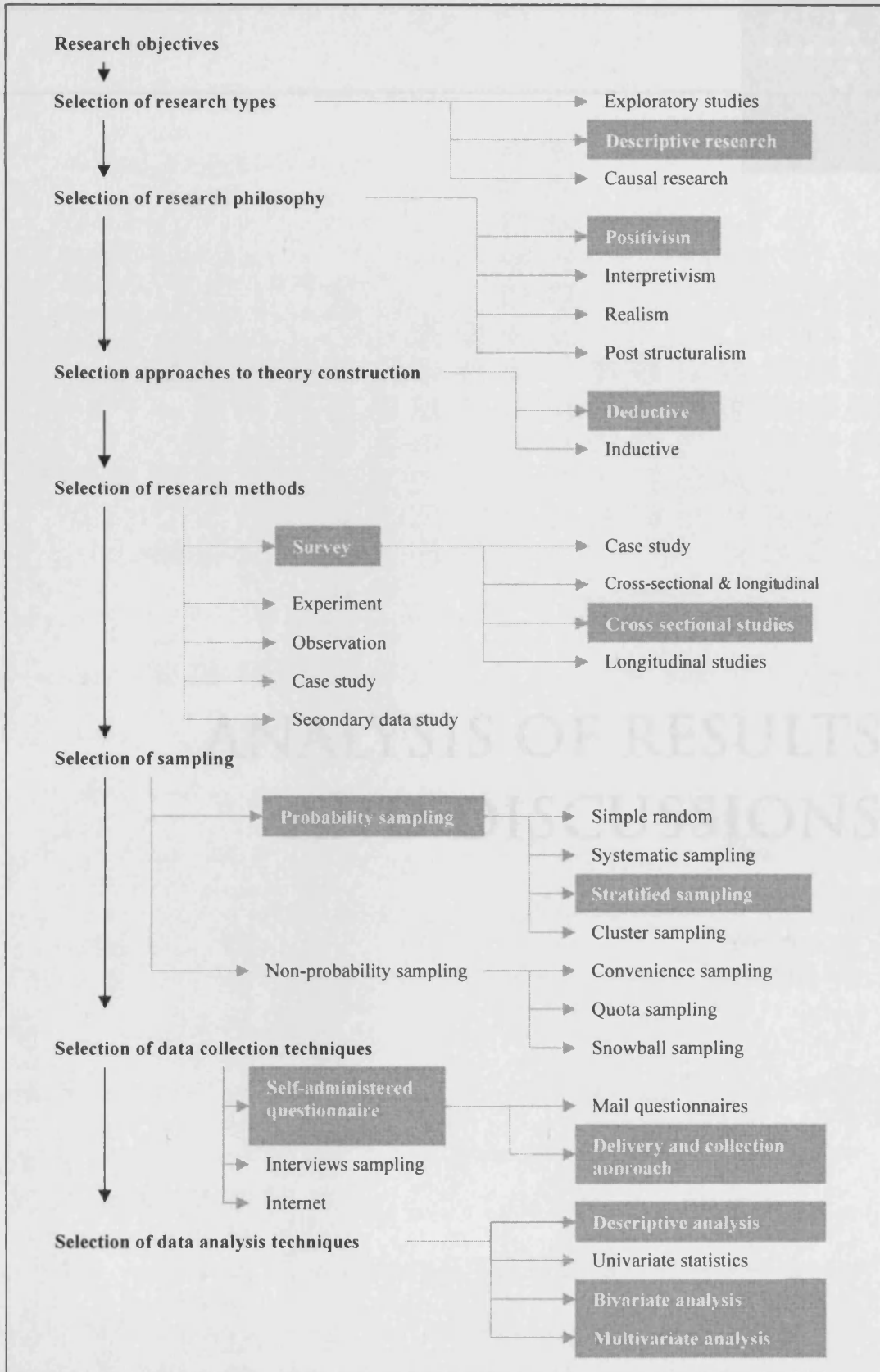
This chapter also described the profiles of sample respondents. From the frequency scores and percentages provided, the majority of respondents were from Stockport Metropolitan Borough Council of England and Petaling Jaya Municipal Council of Malaysia, which most of them worked in the department of Waste (for England) and Planning (for Malaysia). Also, the majority of respondents were female, married, aged between 21-45 years, worked permanently as frontline workers and members of the union. The most common ethnic groups were White British and Malay. England workers were considered as more educated than Malaysian workers. Also, England workers worked more years in the current job and for authority than Malaysian workers.

Finally, the chapter explained that this research adopted the *2003 UK Local Government Workplace Survey* questionnaire by Gould-Williams (2003) to examine the effects of management practice and organisational context on workers' perceptions of their working environment and organisational performance in England and Malaysia local government. The questionnaire was structured in three forms, which were the completion items or fill-in items, the checklists, and the Likert-type items. The independent variables were best practice HRM, organisational climate, involvement, trust and resources, while the dependant variables were motivation, job satisfaction, organisational citizenship behaviour, stress, intention to quit and perceived organisational performance. The reliability of measurement scales was .60 to .86 which fall within the generally

accepted limits. Of the 750 questionnaires issued to Malaysian workers, 453 questionnaires were completed and returned. Thus, the response rate was 60.4 per cent. As for England, of the 1136 questionnaires distributed, 569 questionnaires were returned. The response rate was 50.1 per cent. Finally, in order to analyse data, this current research project used both descriptive and inferential statistics using the Statistical Package for the Social Sciences (SPSS 12).

Using the research design and method explained in this chapter, the next chapter presents the findings of the current research.

Figure 5.6 A research design and research method for current research



# ANALYSIS OF RESULTS AND DISCUSSION

## CHAPTER

# 6

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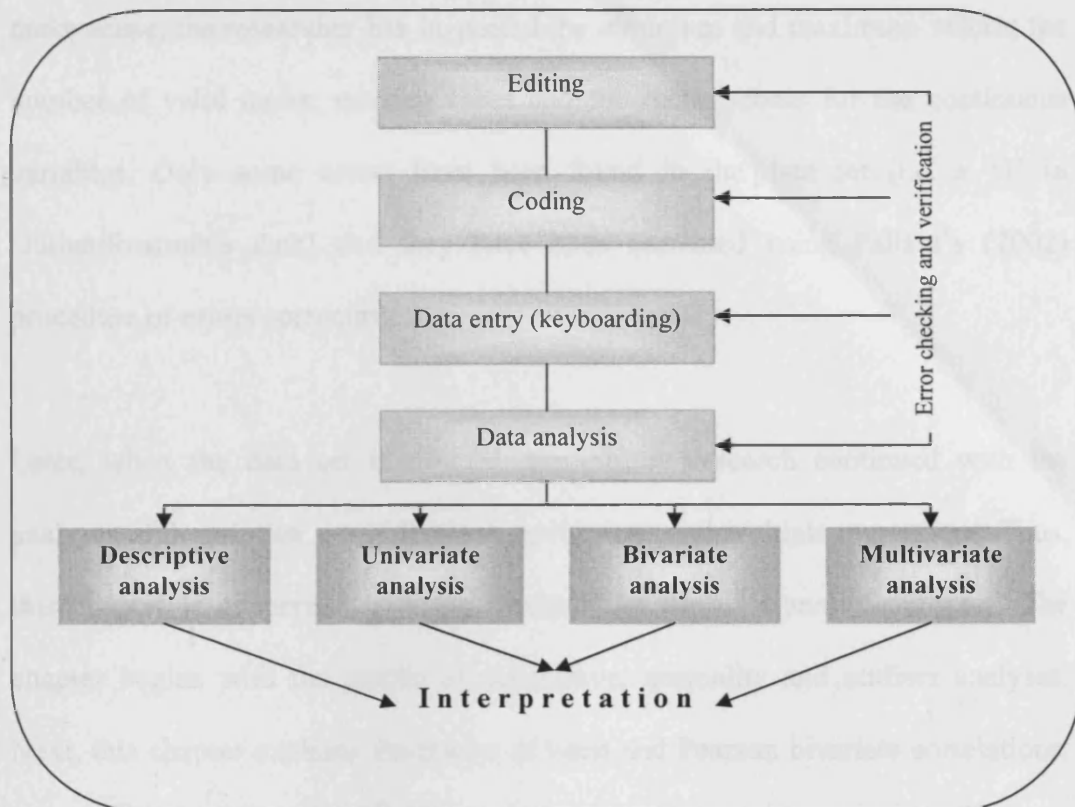
### ANALYSIS OF RESULTS AND DISCUSSIONS

Linked to Chapter 5, this chapter aims to report the findings of the current research project. The chapter starts with the descriptions of data analysis process namely editing, coding and data entry. Next, this chapter explains the results of descriptive analysis, normality and outliers, t-tests analysis and bivariate correlations analysis. Results of standard multiple regression analysis is presented at the end of this chapter.

#### 6.1 Introduction

The purpose of research is to provide information. When data have been collected, the researcher needs to quantify the findings. In other words, the collected data must be transformed into information (Neuman 2000; Zikmund 2000) and the results of the transformation need to be interpreted (Kerlinger 1986). As shown in Figure 6.1 below, before data is analysed, the researcher must ensure that all questionnaires are complete, consistent and reliable. According to Zikmund (2000), editing is important in order to certify the completeness, consistency and reliability of data. If there is unanswered question, the researcher should edit for completeness of the questionnaire by adjusting the responses that were incomplete. As an example in the current research, if respondent did not answer on the question of how many hours he/she usually work each week including overtime or extra hours, the researcher then completes that unanswered question by entering the minimum working hours per week which is 40 hours per week.

Figure 6.1 Steps in data analysis process



Source: Zikmund (2000: 417)

Once the editing is completed, the next step is coding. Coding is the process of identifying and classifying each answer with a numerical score or other character symbol (Zikmund 2000). The list of coding instructions of the questionnaire for the current research was used for data entry process and the results can be seen in the *Data Editor* window, using the SPSS 12.

Prior to analysing the data, it is also important for the researcher to check for errors. The researcher should do data screening and cleaning because he/she may make mistakes when entering data and it may affect the overall analysis of results (Tabachnick and Fidell 1996; Pallant 2002). For example, the researcher may enter '3' for 'Malaysia' when she means to enter '2'. In this research, the SPSS 12

software has been used for errors checking. In order to know whether the data make sense, the researcher has inspected the minimum and maximum values; the number of valid cases; missing cases and the mean scores for the continuous variables. Only some errors have been found in the data set (i.e. a '3' in 'Julian/Rosmah's data) and they have been corrected using Pallant's (2002) procedure of errors correcting.

Later, when the data set is cleaned, the current research continued with the analyses of descriptive, t-test, Pearson correlations and multiple regressions. Thus, this chapter is concerned with the results from the data analysis process. The chapter begins with the results of descriptive, normality and outliers analyses. Next, this chapter explains the results of t-test and Pearson bivariate correlations. At the end of this chapter, the results of multiple regression analyses are presented.

## **6.2 Results of descriptive analysis**

Applying the SPSS 12, the current research presents the descriptive analysis of the collected data. The descriptive statistics, which included frequency scores, percentages, measures of average (i.e. mean), and measures of dispersion (e.g. standard deviation) were used to describe the demographic profile of all respondents studied in the current research project.

The demographic profile of the respondents in this research project consists of gender, marital status, age, highest educational qualification, authority, service area, ethnic group, job position, nature of employment, union membership, years working in current job, years working for authority, and reasons for doing extra work. Respondents were asked to provide their general background information by answering multiple choices questions and open-ended questions. The demographic profile for all respondents is summarised in Table 5.3 through Table 5.8 of Chapter 5. The descriptions were based on the frequency scores and percentages.

In brief, the majority of respondents of this research project were based in Stockport Metropolitan Borough Council of England (16.9 per cent) and Petaling Jaya Municipal Council of Malaysia (31.1 per cent) and from the following service departments: Benefits/Revenue (England 20 per cent; Malaysia 24.7 per cent); Planning (England 20.9 per cent; Malaysia 27.6 per cent); Housing (England 19.3 per cent; Malaysia 11.5 per cent); Waste (England 26.7 per cent; Malaysia 22.5 per cent); and Leisure (England 13.1; Malaysia 13.7 per cent).



White British (90.3 per cent) and Malays (94.9 per cent) were the largest ethnic groups in the sample.

The majority of respondents in both countries were female (England 57.7 per cent; Malaysia 56.5 per cent), married (England 69.1 per cent; Malaysia 59.6 per cent), permanent workers (England 92.6 per cent; Malaysia 58.9 per cent), frontline workers (England 64.4 per cent; Malaysia 75.1 per cent) and union members (England 66.4 per cent; Malaysia 55.6 per cent). However, workers in England had more length of service in current job (30.1 per cent) and for authority (50.4 per cent) which was 10 or more years, than workers in Malaysia local government who had worked 5 to less than 10 years in current job (29.4 per cent) and for authority (28.7 per cent). England workers were older (46.6 per cent were 31-45 years) and more educated (34.3 per cent had Bachelors degree) than Malaysia workers (62.7 per cent were 21-30 years; 50.6 per cent had Malaysia Certificate of Education or equivalent to GCSE).

Concerning the reasons for doing extra work, as showed in Table 6.1, the majority of respondents in England (43.9 per cent) and Malaysia (43.0 per cent) answered *I need to get all my work done*. Further reasons for doing extra work were: *It's required of me as part of my job* (England 15.5 per cent, Malaysia 28.5 per cent); *I don't want to let down the people I work with* (England 5.9 per cent, Malaysia 1.5 per cent), *I need money* (England 11.8 per cent, Malaysia 3.1 per cent); and *I enjoy my work* (England 8.4 per cent, Malaysia 9.3 per cent). 9.3 per cent of England respondents and 7.1 per cent of Malaysia respondents said they never worked overtime. As these percentages show, the perceived uptake of reasons for

doing extra work was consistently high in England than Malaysia local government for four reasons except two that of *I enjoy my work* and *It's required of me as part of my job*.

Table 6.1 Responses according to reasons for doing extra work

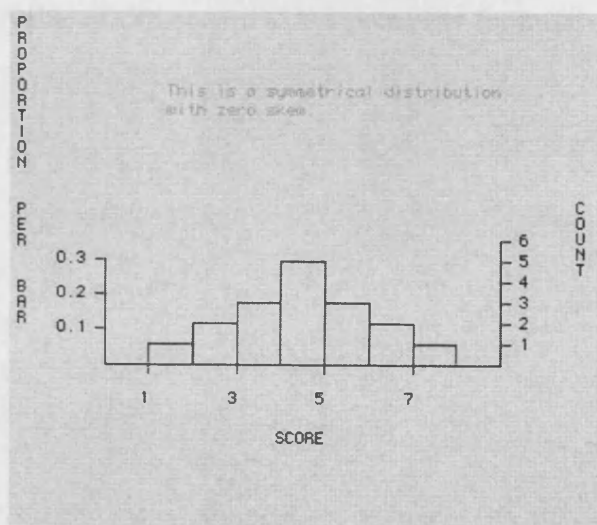
	Count (% of Total)			
	England (N=569)		Malaysia (N=453)	
	Frequency	Percentage	Frequency	Percentage
Reasons for doing extra work				
I never work overtime	42	9.3	32	7.1
I enjoy my work	38	8.4	42	9.3
I need money	50	11.1	41	9.1
I need to get all my work done	198	43.9	195	43.0
I don't want to let down the people I work with	53	11.8	14	3.1
It's required of me as part of my job	70	15.5	129	28.5
		100		100

In sum, the percentages show that the majority samples of this research project were female, married, permanent frontline workers and union members. Samples in England local government were older, more educated and had longer job tenure than samples in Malaysia local government. *The need to get all work done* was the main reason for doing extra work in England and Malaysia local government organisations. The majority of respondents were based in Stockport Metropolitan Borough Council of England and Petaling Jaya Municipal Council of Malaysia, in five service departments: (i) Benefits/Revenue; (ii) Planning; (iii) Housing; (iv) Waste; and (v) Leisure.

### 6.3 Normality and outliers testing

As a multivariate analysis is employed in the current research for testing the hypotheses, it is necessary to assess the normality and the outliers of each variable separately (Neuman 2000; Pallant 2002). Normality distribution is the fundamental assumption in descriptive and multivariate analyses. The aim of normality testing is to help the researchers to understand their shape of data and to prove that data are normally distributed, which is a symmetric bell-shaped curve (see Figure 6.2). The violation of normality might invalidate the statistical hypotheses testing (Hair et al. 1998). As a rule of thumb, the standard normal distribution is one with a mean of 0 and a standard deviation of 1. Normality can be visually tested by looking at a histogram of frequencies, or by looking at a normal probability plot output by SPSS 12. In addition, the statistical tests also can be used to assess normality. The simplest test is a rule of thumb based on the skewness and kurtosis values (Black 1999; Zikmund 2000; Pallant 2002).

Figure 6.2 Normal distribution

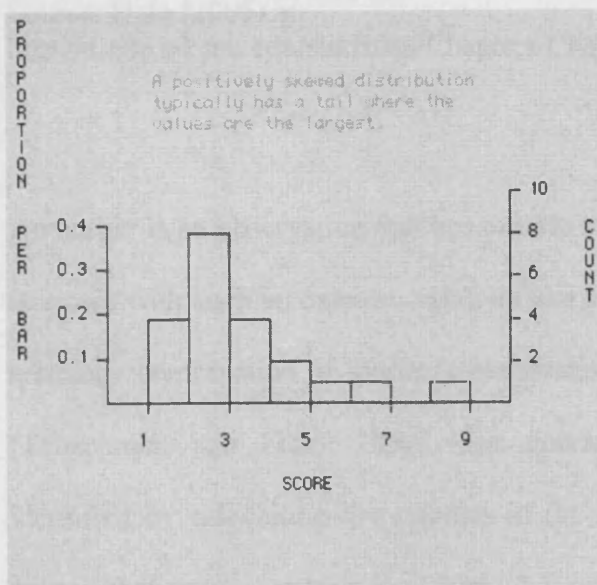
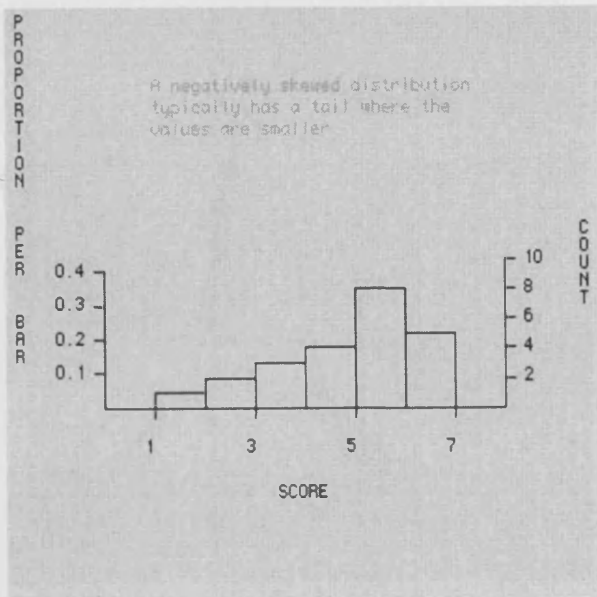


Source: Hale (2005) at <http://espse.ed.psu.edu/statistics/Chapters/Chapter3/Chap3.html#DisShapes>

The skewness value provides an indication of the symmetry of the distribution. Skew should be within the +2 to -2 range when the data are normally distributed. As shown in Figure 6.3, a negative skew is left leaning whereas a positive skew is right leaning. Kurtosis, on the other hand provides information about the peakedness of the distribution. Similar with skewness, kurtosis should also be within the +2 to -2 range when the data are normally distributed. Negative kurtosis indicates too many cases in the tails of the distribution (i.e. shows a relative flat) whereas positive kurtosis indicates too few cases in the tails that indicates a relative peak (see Figure 6.4). The data distribution of the variables is perfectly normal when the skewness and kurtosis values is 0 (Hair et al. 1998; Black 1999).

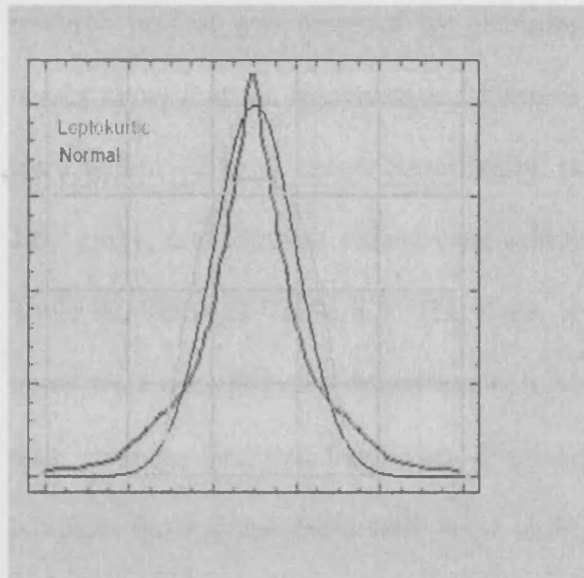
Besides the skewness and kurtosis values, other common statistical tests of normality are Shapiro-Wilks W, Kolmogorov-Smirnow and Mahalanobis Distances. Both Shapiro-Wilks W and Kolmogorov-Smirnow tests calculate the level of significance for the differences from a normal distribution (Hair et al. 1998) whereas the Mahalanobis Distance gives a value to compare with a critical value of Chi-square to test normality for multivariate analysis (Pallant 2002).

Figure 6.3 Negatively and positively skewed distribution



Source: Hale (2005) at <http://espse.ed.psu.edu/statistics/Chapters/Chapter3/Chap3.html#DisShapes>

Figure 6.4 Leptokurtic (peaked) and platykurtic (non-peaked) distribution



Source: Hale (2005) at <http://espse.ed.psu.edu/statistics/Chapters/Chapter3/Chap3.html#DisShapes>

An outlier is an observation that lies outside the overall pattern of a distribution. It is a case with such an extreme value on one variable (a univariate outlier) or such a strange combination of scores (a multivariate outlier) that they distort statistics (Tabachnick and Fidell 1996). For univariate distribution, outliers can be identified by calculating the z-scores of the data. If the data set is less than 50, values that have z-scores less than -2.5 or more than 2.5, are considered as outliers. In larger data sets, a z-scores that are less than -3.3 or more than 3.3 are typically regarded as outliers. In addition to the z-scores, outliers can be identified by using the histogram and box plot. As for multivariate distribution, outliers can be detected by checking the scatter plot, correlation and Mahalanobis distance (Steven 1996; Tabachnick and Fidell 1996; Hair et al. 1998; Moore and McCabe 1999).

According to the above explanations, the normality distribution for the current research project was assessed by obtaining skewness and kurtosis values. The results show that the skewness and kurtosis values of all the measurement items were within +2 to -2 range. Specifically, skewness values were within 1.43 to -1.07 range, and kurtosis values were within 1.12 to -1.24 range as presented in Table 6.2 through Table 6.4. Therefore, it is considered that the measurement items were normally distributed and it is not required to do further treatments of data such as log-transformation. Furthermore, results from histograms and boxplots showed that there were some outliers in the data, however there were no extreme points. Thus, all samples were employed for the current research project.

Table 6.2 Skewness and kurtosis values for Motivation, Job Satisfaction, Organisational Citizenship Behaviour, Stress and Intention to quit

	Item(s)	Country	Mean	SD	Skewness	Kurtosis
Motivation	I look forward to coming to work. [D8]	Eng	4.22	1.78	-.23	-.85
		Mal	5.81	1.33	-1.07	.73
Job satisfaction	Overall, I'm very satisfied with my job and couldn't be more satisfied. [D2]	Eng	4.10	1.75	-.13	-.98
		Mal	5.37	1.30	-.79	.52
Organisational citizenship behaviour	I'm prepared to do extra work for no additional pay, just to help others. [D3]	Eng	4.27	2.01	-.39	-1.18
		Mal	4.78	1.63	-.53	-.45
Stress	My workload negatively affects the quality of my life (e.g. family or social activities). [D10]	Eng	3.71	2.00	.19	-1.21
		Mal	3.57	1.85	.28	-1.00
	Some days I feel I cannot continue in this job due to work pressures. [D13]	Eng	3.42	2.00	.42	-.99
		Mal	3.73	1.74	.13	-.93
	In my job, I am often confronted with problems I cannot do much about. [D14]	Eng	4.29	1.87	-.18	-1.15
		Mal	3.52	1.55	.24	-.66
Intention to quit	I would like to leave my job. [D7]	Eng	3.23	2.02	.49	-1.01
		Mal	2.12	1.64	1.43	1.06



Table 6.3 Skewness and kurtosis values for HRM practices

	Item (s)	Country	Mean	SD	Skewness	Kurtosis
<b>HRM practices:</b>						
Selection	A rigorous selection process is used to select new recruits/workers.[C3]	Eng	4.67	1.70	-.54	-.47
		Mal	4.36	1.65	-.27	-.71
Training	In this department, we are provided with the training needed to achieve high standards of work. [B7]	Eng	4.39	1.84	-.37	-.93
		Mal	4.51	1.52	-.34	-.37
	I am provided with sufficient training and development. [C4]	Eng	4.49	1.80	-.46	-.85
		Mal	4.33	1.57	-.26	-.51
Team working	Team working is strongly encouraged in our department. [C10]	Eng	4.90	1.71	-.72	-.32
		Mal	5.55	1.39	-.96	.78
Performance appraisal	Staff are given meaningful feedback regarding their individual performance, at least once each a year. [C12]	Eng	4.64	2.04	-.58	-.99
		Mal	5.07	1.58	-.87	.31
Rewards	I feel fairly rewarded for the amount of effort I put into my job. [C2]	Eng	3.61	1.90	.13	-1.20
		Mal	4.54	1.53	-.50	-.28
	I feel I am paid a fair amount for the work I do. [D5]	Eng	3.85	1.92	-.03	-1.18
		Mal	4.92	1.53	-.64	-.03
Communication	We are kept well informed of what is going on in this authority. [A16]	Eng	4.04	1.75	-.32	-.90
		Mal	4.82	1.51	-.49	-.21
	Communication within this department is good. [C8]	Eng	4.27	1.71	-.32	-.83
		Mal	4.72	1.53	-.51	-.26
	This department keeps me well informed. [C13]	Eng	4.40	1.71	-.47	-.68
		Mal	4.75	1.54	-.57	-.24

Table 6.4 Skewness and kurtosis for Organisational Climate, Involvement, Trust, Resources and Perceived Organisational Performance

	Item (s)	Country	Mean	SD	Skewness	Kurtosis
Climate	Our line manager/supervisor considers the personal welfare of our group. [A5]	Eng	4.87	1.83	-.73	-.53
		Mal	4.85	1.45	-.56	.24
	When I am on a difficult assignment, I can usually count on getting assistance from my line manager/supervisor. [A6]	Eng	5.26	1.70	-1.03	.15
		Mal	4.93	1.46	-.58	.03
	Our line managers/supervisors are quick to blame us when things don't turn out as planned. (Reversed score) [A14]	Eng	3.25	1.68	.67	-.36
		Mal	4.13	1.62	.02	-.68
	My work mates/colleagues resist change. (Reversed score) [B6]	Eng	3.43	1.60	.34	-.80
		Mal	3.76	1.54	.15	-.48
	I am treated fairly by this department. [C5]	Eng	4.99	1.70	-.87	-.09
		Mal	4.68	1.54	-.62	-.02
There's a friendly, supportive atmosphere amongst staff in this department. [C6]	Eng	5.31	1.56	-1.08	.60	
	Mal	4.89	1.57	-.65	-.16	
The morale in this department is very low. (Reversed score) [C7]	Eng	3.93	1.99	.13	-1.24	
	Mal	3.44	1.74	.43	-.79	
Involvement	Our line manager/supervisor consults us before making decisions. [A3]	Eng	4.40	1.81	-.34	-.89
		Mal	4.61	1.43	-.42	.04
	Our line manager/supervisor asks us for suggestions when faced with service-related problems. [A4]	Eng	4.81	1.72	-.69	-.42
		Mal	4.65	1.37	-.46	.27
Trust	Line managers/supervisors and staff trust each other. [A11]	Eng	4.01	1.77	-.09	-.94
		Mal	4.50	1.46	-.38	-.03
Resources: Understaffed	This service is understaffed. [B2]	Eng	5.55	1.66	-1.02	.13
		Mal	4.54	1.71	-.23	-.73
Work pressure	I am under too much pressure in my job. [D11]	Eng	4.14	1.76	-.13	-.90
		Mal	3.64	1.67	.19	-.67
	My job involves too much work to do everything well. [D12]	Eng	4.58	1.92	-.39	-1.05
		Mal	4.63	1.53	-.41	-.37
Perceived organisational performance	This department provides excellent service when compared to similar services in other authorities. [E1]	Eng	5.25	1.47	-.84	.37
		Mal	5.33	1.37	-.94	.82
	This department has a good reputation. [E2]	Eng	5.12	1.53	-.83	.20
		Mal	5.45	1.38	-1.08	1.12

## 6.4 Results of t-test analysis

The t-test analysis was chosen in the current research to examine whether there are significant differences in the independent variables and worker outcomes mean scores of England and Malaysia local government. Table 6.5 through Table 6.7 present the means, standard deviations, t values and significant (2-tailed) values of the differences between the mean scores of England and Malaysia local government. A seven point Likert scale ranging from 1 (Strongly Disagree) to 7 (Strongly Agree) was used and respondents were asked to provide answers on each item.

### 6.4.1 Discussion

As presented in Table 6.5, the results show that there were significant differences in the uptake of eight of the ten HRM items when the results are compared between England and Malaysia local government workers. Specifically, these were perceptions of: (i) fair pay (England mean 3.85, Malaysia 4.92,  $t$  -9.92,  $p$  .000); (ii) fairly rewarded (England mean 3.61, Malaysia 4.54,  $t$  -8.64,  $p$  .000); (iii) kept informed about the authority (England mean 4.04, Malaysia 4.82,  $t$  -7.56,  $p$  .000); (iv) team working (England mean 4.90, Malaysia 5.55,  $t$  -6.68,  $p$  .000); (v) good communication (England mean 4.27, Malaysia 4.72,  $t$  -4.45,  $p$  .000); (vi) provision of meaningful feedback (England mean 4.64, Malaysia 5.07,  $t$  -3.79,  $p$  .000); (vii) well informed by the department (England mean 4.40, Malaysia 4.75,  $t$  -3.45,  $p$  .001); and (viii) rigorous selection process (England mean 4.67, Malaysia 4.36,  $t$  2.94,  $p$  .003). As these  $t$  values show, the perceived uptake of HRM Practices was consistently higher in Malaysia than England for all but one practice, that of rigorous selection process. Results show that there were no

Table 6.5 Means, standard deviations and t-test of differences in HRM practices between England and Malaysia local government

Item(s)			No. of cases	Mean	SD	t value	2-tail sig.
HRM practices:							
Selection	A rigorous selection process is used to select new recruits/workers.[C3]	Eng	563	4.67	1.70	2.943	.003
		Mal	452	4.36	1.65		
Training	In this department, we are provided with the training needed to achieve high standards of work. [B7]	Eng	560	4.39	1.84	-1.099	.272
		Mal	453	4.51	1.52		
	I am provided with sufficient training and development. [C4]	Eng	565	4.49	1.80	1.575	.116
		Mal	452	4.33	1.57		
Team working	Team working is strongly encouraged in our department. [C10]	Eng	561	4.90	1.71	-6.683	.000
		Mal	452	5.55	1.39		
Performance appraisal	Staff are given meaningful feedback regarding their individual performance, at least once each a year. [C12]	Eng	566	4.64	2.04	-3.791	.000
		Mal	452	5.07	1.58		
Rewards	I feel fairly rewarded for the amount of effort I put into my job. [C2]	Eng	567	3.61	1.90	-8.641	.000
		Mal	452	4.54	1.53		
	I feel I am paid a fair amount for the work I do. [D5]	Eng	567	3.85	1.92	-9.921	.000
		Mal	452	4.92	1.53		
Communication	We are kept well informed of what is going on in this authority. [A16]	Eng	565	4.04	1.75	-7.555	.000
		Mal	453	4.82	1.51		
	Communication within this department is good. [C8]	Eng	566	4.27	1.71	-4.445	.000
		Mal	452	4.72	1.53		
	This department keeps me well informed. [C13]	Eng	566	4.40	1.71	-3.446	.001
		Mal	452	4.75	1.54		

\* statistically significant at .05 level; \*\* statistically significant at .01 level; \*\*\* statistically significant at .001 level

significant differences in training practice between England and Malaysia local government organisations.

Table 6.6 presents the means, standard deviations, t values and significant (2-tailed) values of the differences between England and Malaysia workers in the perceptions of Organisational Climate, Involvement, Trust and Resources. The results show that there were significant differences in the uptake of six of the seven Organisational Climate items when the results are compared between England and Malaysia local government workers. These were perceptions of: (i) quick to be blamed by line managers/supervisors (England mean 3.25, Malaysia 4.13,  $t$  -8.42,  $p$  .000); (ii) friendly and supportive atmosphere (England mean 5.31, Malaysia 4.89,  $t$  4.23,  $p$  .000); (iii) low morale (England mean 3.93, Malaysia 3.44,  $t$  4.20,  $p$  .000); (iv) easy getting assistance (England mean 5.26, Malaysia 4.93,  $t$  3.35,  $p$  .001); (v) work mates resist change (England mean 3.43, Malaysia 3.76,  $t$  -3.31,  $p$  .001); and (vi) fairly treated (England mean 4.99, Malaysia 4.68,  $t$  3.10,  $p$  .002). As these t values show, the perceptions of a more favourable Organisational Climate were consistently more positive in England than Malaysia. There was no significant difference in personal welfare between England and Malaysia local government organisations.

The results also show that there were significant differences between England and Malaysia local government workers in the perceptions of: (i) understaffed departments (England mean 5.55, Malaysia 4.54,  $t$  9.53,  $p$  .000); (ii) trust between line managers/supervisors and staff (England mean 4.01, Malaysia 4.50,  $t$  -4.85,  $p$  .000); (iii) work pressure (England mean 4.14, Malaysia 3.64,  $t$  4.61,  $p$  .000); and (iv) consultation (England mean 4.40, Malaysia 4.61,  $t$  -2.02,  $p$  .044).

Table 6.6 Means, standard deviations and t-test of differences in Organisational Climate, Involvement, Trust and Resources between England and Malaysia local government

Item(s)		No. of cases	Mean	SD	t-value	2-tail sig.	
Organisational Climate	Our line manager/supervisor considers the personal welfare of our group. [A5]	Eng	565	4.87	1.83	0.242	.809
		Mal	453	4.85	1.45		
	When I am on a difficult assignment, I can usually count on getting assistance from my line manager/supervisor. [A6]	Eng	566	5.26	1.70	3.348	.001
		Mal	453	4.93	1.46		
	Our line managers/supervisors are quick to blame us when things don't turn out as planned. (Reversed score) [A14]	Eng	566	3.25	1.68	-8.417	.000
		Mal	453	4.13	1.62		
	My work mates/colleagues resist change. (Reversed score) [B6]	Eng	564	3.43	1.60	-3.310	.001
		Mal	453	3.76	1.54		
	I am treated fairly by this department. [C5]	Eng	566	4.99	1.70	3.103	.002
		Mal	452	4.68	1.54		
There's a friendly, supportive atmosphere amongst staff in this department. [C6]	Eng	563	5.31	1.56	4.227	.000	
	Mal	452	4.89	1.57			
The morale in this department is very low. (Reversed score) [C7]	Eng	565	3.93	1.99	4.200	.000	
	Mal	452	3.44	1.74			
Involvement	Our line manager/supervisor consults us before making decisions. [A3]	Eng	568	4.40	1.81	-2.018	.044
		Mal	453	4.61	1.43		
	Our line manager/supervisor asks us for suggestions when faced with service-related problems. [A4]	Eng	566	4.81	1.72	1.714	.087
		Mal	453	4.65	1.37		
Trust	Line managers/supervisors and staff trust each other. [A11]	Eng	564	4.01	1.77	-4.845	.000
		Mal	453	4.50	1.46		
Resources:							
Understaffed	This service is understaffed. [B2]	Eng	569	5.55	1.66	9.530	.000
		Mal	453	4.54	1.71		
Work pressure	I am under too much pressure in my job. [D11]	Eng	565	4.14	1.76	4.610	.000
		Mal	452	3.64	1.67		
	My job involves too much work to do everything well. [D12]	Eng	567	4.58	1.92	-0.433	.665
		Mal	452	4.63	1.53		

\* statistically significant at .05 level; \*\* statistically significant at .01 level; \*\*\* statistically significant at .001 level

As these t values show, understaffed departments and work pressure were higher in England than Malaysia local government. Whereas, the perceptions of consultation and trust between line managers/supervisors and staff were higher in Malaysia than England local government. There were no significant differences in the perceptions of asking suggestions by the line manager/supervisor and 'job involves too much work' between England and Malaysia local government organisations.

Table 6.7 presents the means, standard deviations, t values and significant (2-tailed) values of the differences between England and Malaysia local government organisations in the perceptions of workers' outcomes. The results show that there were significant differences in the uptake of six of the seven workers' outcomes items when the results are compared between England and Malaysia local government workers. In particular, these were perceptions of: (i) look forward to coming to work (England mean 4.22, Malaysia 5.81,  $t$  -16.25,  $p$  .000); (ii) very satisfied with the job (England mean 4.10, Malaysia 5.37,  $t$  -13.29,  $p$  .000); (iii) intention to quit the job (England mean 3.23, Malaysia 2.12,  $t$  9.76,  $p$  .000); (iv) often confronted with problems (England mean 4.29, Malaysia 3.52,  $t$  7.15,  $p$  .000); (v) prepared to do extra work without additional pay (England mean 4.27, Malaysia 4.78,  $t$  -4.48,  $p$  .000); and (vi) cannot do the job due to work pressures (England mean 3.42, Malaysia 3.73,  $t$  -2.64,  $p$  .000). As these t values show, the workers' outcomes were consistently higher in Malaysia than England for four except two items, that of intention to quit and 'often confronted with problems'. There was no significant difference in the affects of workload on workers' quality of life between England and Malaysia local government organisations.

Table 6.7 Means, standard deviations and t-test of differences in Worker Outcomes and Perceived Organisational Performance between England and Malaysia local government

	Item(s)		No. of cases	Mean	SD	t value	2-tail sig.
Motivation	I look forward to coming to work. [D8]	Eng	568	4.22	1.78	-16.245	.000
		Mal	452	5.81	1.33		
Job satisfaction	Overall, I'm very satisfied with my job and couldn't be more satisfied. [D2]	Eng	567	4.10	1.75	-13.292	.000
		Mal	452	5.37	1.30		
Organisational citizenship behaviour	I'm prepared to do extra work for no additional pay, just to help others. [D3]	Eng	565	4.27	2.01	-4.479	.000
		Mal	452	4.78	1.63		
Stress	My workload negatively affects the quality of my life (e.g. family or social activities). [D10]	Eng	566	3.71	2.00	1.157	.247
		Mal	452	3.57	1.85		
	Some days I feel I cannot continue in this job due to work pressures. [D13]	Eng	568	3.42	2.00	-2.644	.008
		Mal	452	3.73	1.74		
	In my job, I am often confronted with problems I cannot do much about. [D14]	Eng	568	4.29	1.87	7.145	.000
		Mal	452	3.52	1.55		
Intention to quit	I would like to leave my job. [D7]	Eng	567	3.23	2.02	9.759	.000
		Mal	452	2.12	1.64		
Perceived organisational performance	This department provides excellent service when compared to similar services in other authorities. [E1]	Eng	565	5.25	1.47	-0.861	.389
		Mal	452	5.33	1.37		
	This department has a good reputation. [E2]	Eng	566	5.12	1.53	-3.566	.000
		Mal	451	5.45	1.38		

\* statistically significant at .05 level; \*\* statistically significant at .01 level; \*\*\* statistically significant at .001 level



Finally, the results show that there was a significant difference in the perceptions of good reputation of department (England mean 5.12, Malaysia 5.45,  $t = -3.57, p = .000$ ) when the results are compared between England and Malaysia local government workers. This  $t$  value shows that the perceived uptake of departmental good reputation was high in Malaysia than England. The results show that there was no significant difference in the perceptions of provisions of excellent service between England and Malaysia local government organisations.

In sum, this  $t$ -test analysis provides some empirical evidence of significant differences between England and Malaysia local government workers in the perceptions of HRM Practices, Organisational Climate, Involvement, Trust, Resources, Motivation, Job Satisfaction, Organisational Citizenship Behaviour, Stress, Intention to Quit and Perceived Organisational Performance.

While this analysis provides a significant difference in the mean scores of variables between England and Malaysia local government, the next analysis is needed to explain the relationship between the independent variables and both workers' and perceived organisational outcomes.

## 6.5 Results of bivariate correlations analysis

While the current research had chosen t-test analysis to examine the differences of means scores between England and Malaysia local government, the bivariate correlations analysis was selected to test the possible correlations between independent variables and workers' outcomes, specifically by recognising the direction and strength of the linear relationship. The direction of the relationship between the variables are showed by a positive or negative sign of the value of Pearson correlation (  $r$  ). A positive sign means positive correlation (i.e. as one variable increases, the other variable also increases), while a negative sign means negative correlation (i.e. as one variable increases, the other decreases) (Black 1999). The strength of the relationship between dependant and independent variables are provided by the size or magnitude of  $r$  value, which ranges from  $\pm 1.00$ . A correlation of  $\pm 1.00$  shows a perfect correlation in which the value of one variable can be determined exactly by knowing the value on the other variable.

In contrast, a correlation 0 shows no relationship whatsoever between the dependant and independent variables. The values between zero and 1 can be explained using the guidelines that recommended by Cohen (1988) and has been used by many authors, as below:

Small	: $r = \pm .10$	to	$\pm .29$
Medium	: $r = \pm .30$	to	$\pm .49$
Large	: $r = \pm .50$	to	$\pm 1.00$

According to Cohen (1988), a correlation of .50 to 1 is large, .30 to .49 is medium, and .1 to .29 is small. He also suggested that anything smaller than .1 is very weak. The results of bivariate analysis for this research are shown in Table 6.8 and Table 6.9.

### 6.5.1 Discussion

Table 6.8 and Table 6.9 provides the means, standard deviations and  $r$  values of independent variables and workers' outcomes between England and Malaysia local government organisations. The results show that there was a positive and strong relationship between HRM Practices and Job Satisfaction ( $r$  .59,  $\rho$  .000) in England local government organisations, whereas a medium relationship between HRM Practices and Job Satisfaction ( $r$  .44,  $\rho$  .000) in Malaysia local government organisations. The results also show that HRM practices had medium relationships for both countries with Motivation (England  $r$  .49,  $\rho$  .000; Malaysia  $r$  .44,  $\rho$  .000), Intention to Quit (England  $r$  -.46,  $\rho$  .000; Malaysia  $r$  -.32,  $\rho$  .000) and Organisational Citizenship Behaviour (England  $r$  .35,  $\rho$  .000; Malaysia  $r$  .31,  $\rho$  .000).

Stress was found to have a negative and weak relationship with HRM Practices in both England and Malaysia local government organisations (England  $r$  -.33,  $\rho$  .000; Malaysia  $r$  -.17,  $\rho$  .000). While England local government organisations had a medium inverse relationship with Stress, Malaysia local government organisations had a weak inverse relationship with Stress.

HRM Practices had a strong positive relationship with Trust in both countries (England  $r = .53, p = .000$ ; Malaysia  $r = .50, p = .000$ ); and medium relationships with Organisational Climate (England  $r = .38, p = .000$ ; Malaysia  $r = .47, p = .000$ ). HRM Practices had negative and weak relationships with Work Pressure (England  $r = -.20, p = .000$ ; Malaysia  $r = -.10, p = .000$ ) and Understaffed (England  $r = -.18, p = .000$ ; Malaysia  $r = -.17, p = .000$ ) in England and Malaysia local government organisations. These results show that HRM Practices correlated positively with Trust and Organisational Climate, and inversely with Work Pressure and Understaffing in both England and Malaysia local government organisations.

Furthermore, the HRM Practices had a positive and strong association with Involvement ( $r = .53, p = .000$ ) in England local government organisations whereas they had medium association with Involvement ( $r = .41, p = .000$ ) in Malaysia local government organisations.

Table 6.8 Correlations matrix of HRM Practices and Worker Outcomes: England sample

	Variables	N	Mean	SD	1	2	3	4	5	6	7	8	9	10	11
1	HRM Practices	569	4.32	1.24											
2	Climate	569	4.43	.64	.38**										
3	Involvement	569	4.61	1.65	.53**	.49**									
4	Trust	564	4.01	1.77	.53**	.30**	.50**								
	Resources:														
5	Understaffed	569	5.55	1.66	-.18**	-.01	-.02	-.10*							
6	Work pressure	568	4.37	1.68	-.20**	-.09*	-.11*	-.17**	.46**						
7	Motivation	568	4.22	1.78	.49**	.19**	.33**	.38**	-.08*	-.25**					
8	Job satisfaction	567	4.10	1.75	.59**	.31**	.35**	.38**	-.15**	-.28**	.56**				
9	Organisational Citizenship Behaviour	565	4.27	2.01	.35**	.16**	.34**	.29**	-.05	-.08	.36**	.34**			
10	Stress	568	3.81	1.58	-.33**	-.16**	-.22**	-.24**	.32**	.74**	-.43**	-.39**	-.11*		
11	Intention to quit	567	3.23	2.02	-.46**	-.21**	-.32**	-.35**	.13**	.29**	-.65**	-.58**	-.39**	.42**	
12	Perceived organisational performance	568	5.18	1.40	.49**	.17**	.27**	.40**	-.05	-.11*	.29**	.40**	.18**	-.20**	-.26**

\* statistically significant at .05 level;  
 \*\* statistically significant at .01 level;  
 \*\*\* statistically significant at .001 level

Table 6.9 Correlations matrix of HRM Practices and Worker Outcomes: Malaysia sample

	Variables	N	Mean	SD	1	2	3	4	5	6	7	8	9	10	11
1	HRM Practices	453	4.75	1.00											
2	Climate	453	4.38	.63	.47**										
3	Involvement	453	4.63	1.27	.41**	.39**									
4	Trust	453	4.50	1.46	.50**	.33**	.49**								
	Resources:														
5	Understaffed	453	4.54	1.71	-.17**	-.07	-.07	-.11*							
6	Work pressure	452	4.14	1.16	-.10*	.05	-.05	-.11*	.25**						
7	Motivation	452	5.81	1.33	.44**	.25**	.17**	.22**	-.05	-.10*					
8	Job satisfaction	452	5.37	1.30	.44**	.30**	.16**	.22**	-.01	-.04	.47**				
9	Organisational Citizenship Behaviour	452	4.78	1.63	.31**	.22**	.10*	.18**	.07	.08	.32**	.39**			
10	Stress	452	3.61	1.34	-.17**	.01	-.01	-.10*	.20**	.55**	-.28**	-.10*	-.08		
11	Intention to quit	452	2.12	1.64	-.32**	-.11*	-.06	-.16**	.11*	.31**	-.51**	-.37**	-.15**	.43**	
12	Perceived organisational performance	452	5.39	1.30	.58**	.28**	.28**	.38**	-.05	-.14**	.43**	.36**	.17**	-.21**	-.39**

\* statistically significant at .05 level;  
 \*\* statistically significant at .01 level;  
 \*\*\* statistically significant at .001 level

There were positive and medium associations between Organisational Climate and Job Satisfaction in both England and Malaysia local government organisations (England  $r = .31, p = .000$ ; Malaysia  $r = .30, p = .000$ ). The results also show that there were weak associations between Organisational Climate and Intention to Quit (England  $r = -.21, p = .000$ ; Malaysia  $r = -.11, p = .000$ ); Motivation (England  $r = .19, p = .000$ ; Malaysia  $r = .25, p = .000$ ) and Organisational Citizenship Behaviour (England  $r = .16, p = .000$ ; Malaysia  $r = .22, p = .000$ ) in both countries. A negative weak relationship between Organisational Climate and Stress ( $r = -.16, p = .000$ ) was reported in England local government organisations but a non-significant association was reported for the Malaysia sample. These results show that Organisational Climate correlated positively with Job Satisfaction, Motivation and Organisational Citizenship Behaviour; and inversely with Intention to Quit in both countries.

Furthermore, there were positive and medium relationships between Organisational Climate and Involvement (England  $r = .49, p = .000$ ; Malaysia  $r = .39, p = .000$ ) and Trust (England  $r = .30, p = .000$ ; Malaysia  $r = .33, p = .000$ ) in both countries. As to Work Pressure, a weak inverse relationship was reported for England ( $r = -.09, p = .000$ ) but a non-significant relationship was reported for the Malaysia sample. The results show that Organisational Climate positively correlated with Involvement and Trust in both England and Malaysia local government organisations; and inversely with Work Pressure in England local government organisations.

Involvement had a positive and strong relationship with Trust in England local government organisations ( $r .50, \rho .000$ ) but had a medium relationship with Trust in Malaysia local government organisations ( $r .49, \rho .000$ ). Involvement also had positive and medium relationships with Job Satisfaction ( $r .35, \rho .000$ ), Organisational Citizenship Behaviour ( $r .34, \rho .000$ ) and Motivation ( $r .33, \rho .000$ ); and an inverse relationship with Intention to Quit ( $r -.32, \rho .000$ ) in England local government organisations. Whereas Involvement had positive, but weak associations with Motivation ( $r .17, \rho .000$ ), Job Satisfaction ( $r .16, \rho .000$ ), and Organisational Citizenship Behaviour ( $r .10, \rho .000$ ) in Malaysia local government organisations.

Furthermore, negative and weak relationships between Involvement and Stress ( $r -.22, \rho .000$ ) and Work Pressure ( $r -.11, \rho .000$ ) were reported in England local government organisations but a non-significant relationship was reported for the Malaysia sample. The results show that Involvement positively correlated with Trust, Job Satisfaction, Organisational Citizenship Behaviour and Motivation in both countries; and inversely correlated with Intention to Quit, Stress and Work Pressure in England local government organisations.

As to Trust, there were positive and medium associations between Trust and Motivation ( $r .38, \rho .000$ ) and Job Satisfaction ( $r .38, \rho .000$ ); and a weak association with Organisational Citizenship Behaviour ( $r .29, \rho .000$ ) in England local government organisations. There was also an inverse medium association between Trust and Intention to Quit ( $r -.35, \rho .000$ ); and weak associations with



Stress ( $r = -.24, p = .000$ ), Work Pressure ( $r = -.17, p = .000$ ) and Understaffing ( $r = -.10, p = .000$ ) in England local government organisations. As for Malaysia sample, there were positive and weak associations between Trust and Motivation ( $r = .22, p = .000$ ), Job Satisfaction ( $r = .22, p = .000$ ) and Organisational Citizenship Behaviour ( $r = .18, p = .000$ ); and inverse associations between Trust and Intention to Quit ( $r = -.16, p = .000$ ), Understaffing ( $r = -.11, p = .000$ ), Work Pressure ( $r = -.11, p = .000$ ) and Stress ( $r = -.10, p = .000$ ). These results demonstrate that Trust positively associated with Motivation, Job Satisfaction and Organisational Citizenship Behaviour; and inverse associated with Intention to Quit, Stress, Work Pressure and Understaffing in both countries.

The results show that Understaffing had positive and medium associations with Work Pressure ( $r = .46, p = .000$ ) and Stress ( $r = .32, p = .000$ ); and a weak association with Intention to Quit ( $r = .13, p = .000$ ) in England local government organisations. The results also show that Understaffing had negative and weak associations with Job Satisfaction ( $r = -.15, p = .000$ ) and Motivation ( $r = -.08, p = .000$ ) in England local government organisations. Whereas in Malaysia local government organisations, the results show that Understaffing had positive and weak associations with Work Pressure ( $r = .25, p = .000$ ), Stress ( $r = .20, p = .000$ ) and Intention to Quit ( $r = .11, p = .000$ ). As these  $r$  values show, Understaffing positively correlates with Work Pressure, Stress and Intention to Quit in both countries; and inversely correlates with Job Satisfaction and Motivation in England local government organisations.

Work Pressure had a positive and strong association with Stress (England  $r .74, \rho .000$ ; Malaysia  $r .55, \rho .000$ ) in both England and Malaysia local government organisations. Work Pressure also had a positive weak association with Intention to Quit in England ( $r .29, \rho .000$ ) but had a medium association in Malaysia local government organisations ( $r .31, \rho .000$ ). Moreover, Work Pressure had inverse weak associations with Job Satisfaction ( $r -.28, \rho .000$ ) and Motivation ( $r -.25, \rho .000$ ) in England local government organisations. The results show that Work Pressure had inverse weak associations with Motivation ( $r -.10, \rho .000$ ) in Malaysia local government organisations. These  $r$  values explain that Work Pressure positively correlated with Stress and Intention to Quit along with, inversely correlated with Job Satisfaction and Motivation in both countries.

Motivation had an inverse and strong association with Intention to Quit ( $r -.65, \rho .000$ ) and a positive association with Job Satisfaction ( $r .56, \rho .000$ ) in England local government organisations. It also had an inverse medium association with Stress ( $r -.43, \rho .000$ ) and a positive association with Organisational Citizenship Behaviour ( $r .37, \rho .000$ ). Whereas in Malaysia local government organisations, Motivation had an inverse strong association with Intention to Quit ( $r -.51, \rho .000$ ), a weak association with Stress ( $r -.28, \rho .000$ ), and positive medium associations with Job Satisfaction ( $r .47, \rho .000$ ) and Organisational Citizenship Behaviour ( $r .32, \rho .000$ ). These  $r$  values show that Motivation positively correlated with Job Satisfaction and Organisational Citizenship Behaviour; and inversely correlated with Intention to Quit and Stress in both countries.

Job Satisfaction had an inverse negative and strong association with Intention to Quit ( $r = -.58, p = .000$ ) and a medium association with Stress ( $r = -.39, p = .000$ ) in England local government organisations. It had a positive and medium association with Organisational Citizenship Behaviour (England  $r = .34, p = .000$ ; Malaysia  $r = .39, p = .000$ ) in both countries. In addition, Job Satisfaction in Malaysia local government organisations had an inverse medium association with Intention to Quit ( $r = -.37, p = .000$ ) and a weak association with Stress ( $r = -.10, p = .000$ ). The results show that Job Satisfaction positively correlated with Organisational Citizenship Behaviour and inversely correlated with Intention to Quit and Stress in both countries.

Organisational Citizenship Behaviour had an inverse and medium association with Intention to Quit ( $r = -.39, p = .000$ ) in England; and a weak association in Malaysia local government organisations ( $r = -.15, p = .000$ ). An inverse and weak association between Organisational Citizenship Behaviour and Stress was reported for England ( $r = -.11, p = .000$ ) but a non-significant association was reported for the Malaysia sample. Furthermore, Stress had a positive and medium association with Intention to Quit in both England and Malaysia local government organisations (England  $r = .42, p = .000$ ; Malaysia  $r = .43, p = .000$ ). As these  $r$  values show, Organisational Citizenship Behaviour inversely correlated with Intention to Quit in both countries; and with Stress in England local government organisations. Stress positively correlated with Intention to Quit in both countries.

In terms of Perceived Organisational Performance, the results show that Perceived Organisational Performance had a positive and strong association with HRM Practices ( $r = .58, p = .000$ ) in Malaysia local government organisations; and had a

medium association in England local government organisations ( $r .49, \rho .000$ ). The results also show that Perceived Organisational Performance had positive and medium associations with Trust (England  $r .40, \rho .000$ ; Malaysia  $r .38, \rho .000$ ) and Job Satisfaction (England  $r .40, \rho .000$ ; Malaysia  $r .36, \rho .000$ ) in both countries. In addition, Perceived Organisational Performance had a positive and medium association with Motivation ( $r .43, \rho .000$ ); and an inverse association with Intention to Quit ( $r -.39, \rho .000$ ) in Malaysia local government organisations. Perceived Organisational Performance had a positive weak association with Motivation ( $r .29, \rho .000$ ) and an inverse weak association with Intention to Quit ( $r -.26, \rho .000$ ) in England local government organisations.

Finally, Perceived Organisational Performance in both countries had positive and weak associations with Involvement (England  $r .27, \rho .000$ ; Malaysia  $r .28, \rho .000$ ), Organisational Citizenship Behaviour (England  $r .18, \rho .000$ ; Malaysia  $r .17, \rho .000$ ) and Organisational Climate (England  $r .17, \rho .000$ ; Malaysia  $r .28, \rho .000$ ); and inverse associations with Stress (England  $r -.20, \rho .000$ ; Malaysia  $r -.21, \rho .000$ ), and Work Pressure (England  $r -.11, \rho .000$ ; Malaysia  $r -.14, \rho .000$ ). These  $r$  values show that Perceived Organisational Performance positively correlated with HRM Practices, Trust, Job Satisfaction, Motivation, Involvement, Organisational Citizenship Behaviour and Organisational Climate. The  $r$  values also show that Perceived Organisational Performance inversely correlated with Intention to Quit, Stress and Work Pressure in both England and Malaysia local government organisations.

In summary, a comparison of the correlation matrixes between England and Malaysia (see Table 6.8 and Table 6.9) shows that in the main, the degree of association between the variables is similar in magnitude and direction. However, almost a quarter of associations were twice as large for the England sample than the Malaysia. This was particularly noted for the associations between Involvement and Worker Outcomes. For instance, in the case of England workers, it appears that Involvement had a much larger association with Motivation, Job Satisfaction, Organisational Citizenship Behaviour, Stress and Intention to Quit.

While the bivariate correlation analyses provides a general indication of the relationship between the independent variables and both workers' and perceived organisational outcomes, the results do not examine the unique contribution nor the predictive characteristic of the independent variables. Therefore, multiple regression analyses were needed.

## **6.6 Results of multiple regression analyses**

The multiple regression analysis is a statistical method and is used for examining the relationship between one or more independent variables and a dependant variable. The two major uses of this analysis are to develop a formula for making predictions concerning the dependant variable, based on the observed independent variables and to determine the extent to which a specific independent variable affects the dependant variable, along with estimating the size or magnitude of the effect (Allison 1999).

The multiple regression analyses was used in the current research project to predict the independent variables on worker and perceived organisational outcomes. In other words, the analyses provide information concerning the extent to which HRM Practices, Organisational Climate, Involvement, Trust and Resources (Understaffed and Work Pressure) affect each of the worker and perceived organisational outcomes, and the magnitude of these effects. This can be identified by reading the R Squared value ( $R^2$ ) in the model. The analyses are also used to identify those independent variables, which have the most powerful predictive effect on the dependent variables, as shown, by the standardised coefficients or beta values ( $\beta$ ) (Allison 1999; Pallant 2002). The significant value (Sig.) reveals whether the variable is making a statistically significant contribution to the equation. A significant value of less than .05 is used on a rule of thumb to show that the variable has a significant contribution to the prediction of the worker outcomes (Tabachnick and Fidell 1996; Allison 1999).

Ten dummy variables were used in this research. These were: country (0 = England, 1 = Malaysia); age (0 = 18-20 years, 1 = 21-30 years, 2 = 31-45 years, 3 = 46-60 years, 4 = over 60 years); salary (0 = less than 500, 1 = 501-800, 2 = 801-1,100, 3 = 1,101-1,400, 4 = 1,401-1,700, 5 = 1,701-2,000, 6 = 2,001-2,500, 7 = more than 2,500); gender (0 = male, 1 = female); contract (0 = temporary, 1 = permanent); job position (0 = front line worker, 1 = supervisor/manager); benefits service department (0 = leisure, 1 = benefits); planning service department (0 = leisure, 1 = planning); housing service department (0 = leisure, 1 = planning); and waste service department (0 = leisure, 1 = waste). The results of multiple regression analyses are shown in Table 6.10 and Table 6.11.

### 6.6.1 Discussion

Table 6.10 and Table 6.11 present the  $R^2$  values, Adjusted  $R^2$  values, F values, standardised  $\beta$  values, significant values, number of cases of independent variables, worker outcomes and perceived organisational performance for England and Malaysia local government workers. As shown in the table, all six equations are statistically significant, with the variance explained for each equation as follows: (i) Equation 4, 59 per cent and 35 per cent for Stress in England and Malaysia respectively (England  $R^2$  .59, F 46.01,  $\rho$  .000; Malaysia  $R^2$  .35, F 15.63,  $\rho$  .000 ); (ii) Equation 2, 41 per cent in England and 25 per cent in Malaysia for Job Satisfaction (England  $R^2$  .41, F 22.46,  $\rho$  .000; Malaysia  $R^2$  .25, F 9.78,  $\rho$  .000); (iii) Equation 1, 32 per cent in England and 26 per cent in Malaysia for Motivation (England  $R^2$  .32, F 15.07,  $\rho$  .000; Malaysia  $R^2$  .26, F 10.33,  $\rho$  .000); (iv) Equation 6, 29 per cent in England and 42 per cent in Malaysia for Perceived Organisational Performance (England  $R^2$  .29, F 14.40,  $\rho$  .000; Malaysia  $R^2$  .42, F 21.19,  $\rho$  .000); (v) Equation 5, 28 per cent in England and 25 per cent in Malaysia for Intention to Quit (England  $R^2$  .28, F 12.80,  $\rho$  .000; Malaysia  $R^2$  .25, F 9.47,  $\rho$  .000); and finally, (vi) Equation 3, 19 per cent and 21 per cent for Organisational Citizenship Behaviour in England and Malaysia respectively (England  $R^2$  .19, F 7.71,  $\rho$  .000; Malaysia  $R^2$  .21, F 7.73,  $\rho$  .000). On this basis, it can be argued that the regression equations provide an adequate explanation of variation for each of the dependent variables for both countries.

Table 6.10 Regression analyses of the affects of HRM Practices on Worker Outcomes: England sample

Independent variables	Worker Outcomes										Organisational Outcomes	
	Equation 1		Equation 2		Equation 3		Equation 4		Equation 5		Equation 6	
	Motivation		Job satisfaction		Organisational Citizenship Behaviour		Stress		Intention to quit		Perceived organisational performance	
	Standard $\beta$	VIF	Standard $\beta$	VIF	Standard $\beta$	VIF	Standard $\beta$	VIF	Standard $\beta$	VIF	Standard $\beta$	VIF
<b>HRM Practices</b>	<b>.35 (.000)</b>	1.83	<b>.50 (.000)</b>	1.83	<b>.18 (.001)</b>	1.83	<b>-.16 (.000)</b>	1.83	<b>-.34 (.000)</b>	1.83	<b>.33 (.000)</b>	2.15
Climate	-.02 (.630)	1.44	.09 (.038)	1.44	-.02 (.708)	1.44	.01 (.881)	1.44	.00 (.931)	1.44	-.05 (.235)	1.40
Involvement	.07 (.155)	1.81	.01 (.817)	1.81	.18 (.001)	1.81	-.06 (.157)	1.81	-.08 (.120)	1.81	-.02 (.651)	1.83
Trust	.13 (.008)	1.57	.07 (.133)	1.57	.10 (.049)	1.57	-.01 (.874)	1.57	<b>-.10 (.034)</b>	1.57	<b>.21 (.000)</b>	1.59
<b>Resources</b>												
Understaffed	.08 (.081)	1.35	.03 (.545)	1.35	.02 (.745)	1.35	-.05 (.176)	1.35	-.04 (.374)	1.35	.04 (.414)	1.34
Work pressure	<b>-.19 (.000)</b>	1.53	<b>-.17 (.000)</b>	1.53	<b>-.03 (.552)</b>	1.53	<b>.72 (.000)</b>	1.53	<b>.17 (.000)</b>	1.53	.04 (.451)	2.57
<b>Personal characteristics</b>												
Age	.07 (.104)	1.12	.10 (.007)	1.12	-.00 (.925)	1.12	.04 (.262)	1.12	-.00 (.960)	1.12		
Salary	.02 (.693)	2.06	-.05 (.291)	2.06	.04 (.529)	2.06	-.04 (.308)	2.06	.08 (.169)	2.06		
Gender	.01 (.799)	1.16	-.07 (.069)	1.16	.04 (.397)	1.16	-.02 (.599)	1.16	.00 (.969)	1.16		
Contract	<b>-.11 (.007)</b>	1.08	-.03 (.433)	1.08	-.07 (.108)	1.08	.02 (.459)	1.08	.08 (.044)	1.08		
Job position	-.00 (.953)	1.80	-.03 (.576)	1.80	.09 (.119)	1.80	.02 (.637)	1.80	-.01 (.818)	1.80		
Benefits service dept.	<b>-.16 (.003)</b>	2.13	-.04 (.475)	2.13	.01 (.830)	2.13	-.01 (.825)	2.13	.09 (.128)	2.13	-.04 (.420)	2.11
Planning service dept.	-.10 (.071)	2.31	-.01 (.902)	2.31	-.07 (.290)	2.31	-.01 (.826)	2.31	.09 (.147)	2.31	-.04 (.426)	2.12
Housing service dept.	<b>-.14 (.015)</b>	2.16	-.01 (.821)	2.16	.07 (.278)	2.16	.02 (.731)	2.16	.04 (.447)	2.16	-.07 (.177)	2.10
Waste service dept.	-.10 (.084)	2.35	.06 (.294)	2.35	.05 (.408)	2.35	.07 (.145)	2.35	.03 (.591)	2.35	-.01 (.812)	2.28
Motivation											-.02 (.708)	2.14
Job satisfaction											<b>.18 (.001)</b>	2.04
Organisational Citizenship Behaviour											-.02 (.581)	1.34
Stress											-.05 (.389)	2.71
Intention to quit											.05 (.400)	2.09
<b>R<sup>2</sup></b>	<b>.32</b>		<b>.41</b>		<b>.19</b>		<b>.59</b>		<b>.28</b>		<b>.29</b>	
<b>Adjusted R<sup>2</sup></b>	<b>.30</b>		<b>.39</b>		<b>.17</b>		<b>.58</b>		<b>.26</b>		<b>.27</b>	
<b>F value (Sig. level)</b>	<b>15.07 (.000)</b>		<b>22.46 (.000)</b>		<b>7.71 (.000)</b>		<b>46.01 (.000)</b>		<b>12.80 (.000)</b>		<b>14.40 (.000)</b>	
<b>N</b>	<b>515</b>		<b>515</b>		<b>515</b>		<b>515</b>		<b>515</b>		<b>550</b>	



Table 6.11 Regression analyses of the affects of HRM Practices on Worker Outcomes: Malaysia sample

Independent variables	Worker Outcomes										Organisational Outcomes	
	Equation 1		Equation 2		Equation 3		Equation 4		Equation 5		Equation 6	
	Motivation		Job satisfaction		Organisational Citizenship Behaviour		Stress		Intention to quit		Perceived organisational performance	
	Standard $\beta$	VIF	Standard $\beta$	VIF	Standard $\beta$	VIF	Standard $\beta$	VIF	Standard $\beta$	VIF	Standard $\beta$	VIF
<b>HRM Practices</b>	<b>.39 (.000)</b>	1.64	<b>.38 (.000)</b>	1.64	<b>.27 (.000)</b>	1.64	<b>-.15 (.003)</b>	1.64	<b>-.30 (.000)</b>	1.64	<b>.40 (.000)</b>	1.95
<b>Climate</b>	<b>.11 (.035)</b>	1.46	<b>.16 (.001)</b>	1.46	<b>.11 (.041)</b>	1.46	<b>.01 (.919)</b>	1.46	<b>-.04 (.404)</b>	1.46	<b>-.00 (.945)</b>	1.48
<b>Involvement</b>	<b>-.02 (.766)</b>	1.48	<b>-.06 (.235)</b>	1.48	<b>-.04 (.442)</b>	1.48	<b>.06 (.188)</b>	1.48	<b>.08 (.137)</b>	1.48	<b>.03 (.555)</b>	1.49
<b>Trust</b>	<b>.00 (.981)</b>	1.62	<b>.02 (.701)</b>	1.62	<b>.08 (.158)</b>	1.62	<b>.00 (.988)</b>	1.62	<b>-.01 (.827)</b>	1.62	<b>.12 (.011)</b>	1.59
<b>Resources</b>												
Understaffed	.05 (.269)	1.19	.07 (.134)	1.19	.08 (.096)	1.19	.04 (.381)	1.19	-.00 (.953)	1.19	.08 (.041)	1.18
Work pressure	-.05 (.263)	1.12	-.01 (.795)	1.12	.10 (.035)	1.12	.51 (.000)	1.12	.25 (.000)	1.12	-.02 (.667)	1.57
<b>Personal characteristics</b>												
Age	-.06 (.213)	1.46	.06 (.248)	1.46	.06 (.280)	1.46	.01 (.889)	1.46	.08 (.139)	1.46		
Salary	.06 (.356)	2.19	.01 (.840)	2.19	.18 (.004)	2.19	-.00 (.979)	2.19	-.01 (.848)	2.19		
Gender	-.02 (.647)	1.05	.04 (.331)	1.05	.11 (.016)	1.05	-.04 (.356)	1.05	-.01 (.892)	1.05		
Contract	.13 (.006)	1.35	.05 (.304)	1.35	.08 (.132)	1.35	-.04 (.332)	1.35	-.17 (.001)	1.35		
Job position	-.09 (.102)	1.70	-.07 (.209)	1.70	-.06 (.321)	1.70	-.04 (.385)	1.70	-.01 (.911)	1.70		
Benefits service dept.	.22 (.001)	2.46	.07 (.320)	2.46	-.08 (.215)	2.46	-.14 (.020)	2.46	-.24 (.000)	2.46	.04 (.475)	2.38
Planning service dept.	.14 (.022)	2.33	.01 (.859)	2.33	-.05 (.409)	2.33	-.05 (.444)	2.33	-.18 (.004)	2.33	-.03 (.657)	2.32
Housing service dept.	.15 (.005)	1.73	.14 (.009)	1.73	-.14 (.016)	1.73	-.03 (.506)	1.73	-.19 (.001)	1.73	-.03 (.605)	1.80
Waste service dept.	.14 (.019)	2.21	.12 (.057)	2.21	-.17 (.008)	2.21	.01 (.920)	2.21	-.16 (.012)	2.21	.05 (.403)	2.22
Motivation											.13 (.007)	1.74
Job satisfaction											.05 (.249)	1.63
Organisational Citizenship Behaviour											-.07 (.107)	1.34
Stress											-.03 (.548)	1.71
Intention to quit											-.16 (.001)	1.68
<b>R<sup>2</sup></b>	<b>.26</b>		<b>.25</b>		<b>.21</b>		<b>.35</b>		<b>.25</b>		<b>.42</b>	
<b>Adjusted R<sup>2</sup></b>	<b>.24</b>		<b>.23</b>		<b>.18</b>		<b>.33</b>		<b>.22</b>		<b>.40</b>	
<b>F value (Sig. level)</b>	<b>10.33 (.000)</b>		<b>9.78 (.000)</b>		<b>7.73 (.000)</b>		<b>15.63 (.000)</b>		<b>9.47 (.000)</b>		<b>21.19 (.000)</b>	
<b>N</b>	<b>452</b>		<b>452</b>		<b>452</b>		<b>452</b>		<b>452</b>		<b>452</b>	

Consistent with the research hypotheses, the analyses show that HRM Practices in both England and Malaysia local government consistently had significant effects on all six dependent variables, all of which were in the anticipated hypothesised direction, other than that of Stress (England  $\beta$  -.16,  $\rho$  .000; Malaysia  $\beta$  -.15,  $\rho$  .000). The HRM Practices had a greater effect on Job Satisfaction in England than Malaysia local government workers (England  $\beta$  .50,  $\rho$  .000; Malaysia  $\beta$  .38,  $\rho$  .000). In all other instances, the effects of HRM Practices were greater in Malaysia than England. For instance, the  $\beta$  values for HRM Practices on: (i) worker motivation Malaysia ( $\beta$  .39,  $\rho$  .000), and England ( $\beta$  .35,  $\rho$  .000); (ii) Organisational Citizenship Behaviour Malaysia ( $\beta$  .27,  $\rho$  .000), and England ( $\beta$  .18,  $\rho$  .000); and (iii) Perceived Organisational Performance Malaysia ( $\beta$  .40,  $\rho$  .000), and England ( $\beta$  .33,  $\rho$  .000). Both England and Malaysia HRM Practices had similar effects on Stress (England  $\beta$  -.16,  $\rho$  .000; Malaysia  $\beta$  -.15,  $\rho$  .000) and Intention to Quit (England  $\beta$  -.34,  $\rho$  .000; Malaysia  $\beta$  -.30,  $\rho$  .000).

The results support the universal application of best practice HRM which proposed by Walton (1985) and Pfeffer (1994, 1998). Subsequently, the results support the earlier findings by Arthur (1994), MacDuffie (1995), Delery and Doty (1996), Ramsay et al. (2000), Godard (2001), Bjorkman and Xiucheng (2002), Gould-Williams (2003), Bartel (2004), Tzafrir (2005) and Tessema and Soeters (2006), which found that best practice HRM will always present a positive impact on organisational performance regardless of size, industry or business strategy. In other words, the findings of this research project support the application of universal model in non-Westernised countries.

In addition, on the basis of the  $\beta$  values, this research project supports Hypotheses 1a, 1b, 2a, 2b, 3a, 3b, 5a, 5b, 6a and 6b however, rejects Hypotheses 4a and 4b. The first two hypotheses (1a and 1b), regarding a positive relationship between best practice HRM and worker motivation in England (H1a) and Malaysia (H1b) local government organisations, are confirmed. Results of this research project support previous studies by Huselid (1995), Dowling and Richardson (1997), Guest (1999), Fey et al. (2000), Appelbaum et al. (2000), Godard (2001), Gould-Williams (2004), Gould-Williams and Davies (2005) and Tessema and Soeters (2006).

The hypotheses 2a and 2b, regarding a positive relationship between best practice HRM and job satisfaction in England (H2a) and Malaysia (H2b) local government organisations, are confirmed. These results are in line with earlier studies by Guest (1999), Appelbaum et al. (2000), Godard (2001), Guest (2002), Boselie and Wiele (2002), Park et al. (2003), Batt (2004), Gould-Williams (2004), Bartel (2004), Kinnie et al. (2005) and Tessema and Soeters (2006) who examined the relationship between these constructs in Westernised countries.

The hypotheses 3a and 3b, concerning a positive relationship between best practice HRM and organisational citizenship behaviour in England (H3a) and Malaysia (H3b) local government organisations, are confirmed. Again, these results are consistent with earlier studies by Cappelli and Rogovsky (1998), Hui et al. (2000), Ghorpade et al. (2001) and Pare and Trembley (2004).

The hypotheses 4a and 4b, regarding a positive relationship between best practice HRM and stress in England (H4a) and Malaysia (H4b) local government organisations, are not confirmed. Moreover, the correlation between the two variables appeared to be negative rather than positive. Therefore, there is no evidence for a positive relationship between best practice HRM and stress in both countries. These findings contrast with earlier studies by Ramsay et al. (2000), Appelbaum et al. (2000), Godard (2001) and Kalleberg and Berg (2002).

The hypotheses 5a and 5b, regarding a negative relationship between best practice HRM and intention to quit in England (H5a) and Malaysia (H5b) local government organisations, are confirmed. These results are in accordance with earlier results by Boselie and Wiele (2002), Gould-Williams (2003), Hartog and Verburg (2004), Pare and Trembley (2004), and Tessema and Soeters (2006). Finally, the hypotheses 6a and 6b, regarding a positive relationship between best practice HRM and perceived organisational performance in England (H6a) and Malaysia (H6b) local government organisations, are confirmed. The results support earlier findings of Harel and Tzafrir (1999), Gould-Williams (2004), Galang (2004) and Tzafrir (2005).

The analyses of this research project also show that Organisational Climate consistently had significant effects on three dependent variables in Malaysia and one dependent variable on England local government workers, all of which were in the anticipated hypothesised direction. Specifically, the Organisational Climate had a greater effect on Job Satisfaction in Malaysia than England local government (Malaysia  $\beta$  .16,  $\rho$  .001; England  $\beta$  .09,  $\rho$  .038). The effect of Organisational

Climate on Motivation was significant in Malaysia ( $\beta$  .11,  $\rho$  .035) but was not significant in England local government. Similarly, Organisational Climate had a significant effect on Organisational Citizenship Behaviour in Malaysia ( $\beta$  .11,  $\rho$  .041) but no significant effect was noted in England local government. Organisational Climate in both countries had no significant effects on Stress, Intention to Quit and Perceived Organisational Performance. Therefore, the results of these analyses support Hypotheses 1d, 2c, 2d and 3d. Also, this research rejects Hypotheses 1c, 3c, 4c, 4d, 5c, 5d, 6c and 6d. These results show that in Malaysia, organisational climate was an important factor to predict their workers' motivation, job satisfaction and organisational citizenship behaviour.

The results concerning a positive relationship between organisational climate and worker motivation (H1d), job satisfaction (H2c and H2d) and organisational citizenship behaviour (H3d) are in line with earlier findings by Patterson et al. (2004), Bowen and Ostroff (2004), Buttigieg and Gehan (2005), Neal et al. (2005), and Gould-Williams (2007). However, there is no evidence for a significant relationship between organisational climate and: worker motivation (H1c) and organisational citizenship behaviour in England local government (H3c); and stress (H4c and H4d), intention to quit (H5c and H5d), and perceived organisational performance (H6c and H6d) in both countries. Thus, these findings contrast with earlier studies by Patterson et al. (2004), Bowen and Ostroff (2004), Buttigieg and Gehan (2005), Neal et al. (2005) and Gould-Williams (2007).

Concerning the relationships between worker outcomes and Perceived Organisational Performance, the results show that Perceived Organisational Performance had significant effects on two dependent variables in Malaysia and one dependent variable in England local governments, of which were in the anticipated hypothesised direction. Specifically, Motivation and Intention to Quit had significant effects on Perceived Organisational Performance in Malaysia (Motivation  $\beta$  -.16,  $\rho$  .001; Intention to Quit  $\beta$  .13,  $\rho$  .007 respectively) whereas; Job Satisfaction had significant effects on Perceived Organisational Performance in England local government ( $\beta$  .18,  $\rho$  .001).

Organisational Citizenship Behaviour and Stress had no significant effects on Perceived Organisational Performance in two countries. Therefore, the results support Hypotheses 6f, 6g and 6n but rejects Hypotheses 6e, 6h, 6i, 6j, 6k, 6l and 6m. The results concerning a positive relationship between worker motivation (H6f), job satisfaction (H6g) and perceived organisational performance are consistent with earlier studies by Harel and Tzafrir (1999), Gould-Williams (2003; 2004), Galang (2004) and Tzafrir (2005). Also, the results concerning an inverse relationship between intention to quit and perceived organisational performance (H6n) is consistent with similar earlier studies mentioned. However, there is no evidence for significant relationships between worker motivation in England (H6e), job satisfaction in Malaysia (H6h), organisational citizenship behaviour (H6i and H6j) and stress (H6k and H6l) in both countries, intention to quit in England (H6m) and perceived organisational performance. Thus, these findings contrast with earlier studies by Harel and Tzafrir (1999), Gould-Williams (2003; 2004), Galang (2004) and Tzafrir (2005).

With regards to Resources, the results show that the predictive variable Work Pressure in England local government consistently had significant effects on four dependent variables namely, (i) Stress ( $\beta .72, \rho .000$ ), (ii) Motivation ( $\beta -.19, \rho .000$ ), (iii) Job Satisfaction ( $\beta -.17, \rho .000$ ) and (iv) Intention to Quit ( $\beta .17, \rho .000$ ); while in Malaysia, Work Pressure had significant effect on: (i) Stress ( $\beta .51, \rho .000$ ) (ii) Intention to Quit ( $\beta .25, \rho .000$ ) and (iii) Organisational Citizenship Behaviour ( $\beta .10, \rho .035$ ). The Work Pressure in England local government had a greater significant effect on Stress than in Malaysia local government (England  $\beta .72, \rho .000$ ; Malaysia  $\beta .51, \rho .000$ ). However, Work Pressure in Malaysia had a greater significant effect on Intention to Quit than in England local government (Malaysia  $\beta .25, \rho .000$ ; England  $\beta .17, \rho .000$ ). Both England and Malaysia Work Pressure had no significant effects on Perceived Organisational Performance. These results indicate that workers in England experienced greater stress through work-related pressure, in comparison with Malaysia workers. Yet pressure was more likely to lead to a greater propensity to leave amongst Malaysia workers in comparison with England workers.

The predictive variable Trust in England local government consistently had significant effects on four dependent variables, which were Perceived Organisational Performance ( $\beta .21, \rho .000$ ), Motivation ( $\beta .13, \rho .000$ ), Organisational Citizenship Behaviour ( $\beta .10, \rho .000$ ) and Intention to Quit ( $\beta -.10, \rho .034$ ). Whereas Trust in Malaysia local government had a significant effect on one dependent variable only, this was Perceived Organisational Performance ( $\beta .12, \rho .000$ ). When compared between England and Malaysia local government

workers, Trust in England had a greater effect on Perceived Organisational Performance than Malaysia local government workers (England  $\beta$  .21,  $\rho$  .000; Malaysia  $\beta$  .12,  $\rho$  .011). There were no significant effects between Trust and Job Satisfaction and Stress in both countries. These findings suggest that trust is an essential “*lubrication that makes it possible for organisations to work*” (Bennis and Nanus 1985: 43) for achieving desirable worker outcomes in England in comparison with Malaysia.

The analyses show that the Service Departments in Malaysia local government had significant effects on Worker Outcomes. Specifically, when compared with the control group, Leisure Service Department, respondents in the four remaining Service Departments were more likely to be motivated (Benefits  $\beta$  .22,  $\rho$  .001; Planning  $\beta$  .14,  $\rho$  .022; Housing  $\beta$  .15,  $\rho$  .005; Waste  $\beta$  .14,  $\rho$  .019) and less likely to want to quit (Benefits  $\beta$  -.24,  $\rho$  .000; Planning  $\beta$  -.18,  $\rho$  .004; Housing  $\beta$  -.19,  $\rho$  .001; Waste  $\beta$  -.16,  $\rho$  .012). Waste and Housing Service Departments in Malaysia had significant, inverse effects on Organisational Citizenship Behaviour (Housing  $\beta$  -.14,  $\rho$  .016; Waste  $\beta$  -.17,  $\rho$  .008), but a positive effect on Job Satisfaction (Housing  $\beta$  .14,  $\rho$  .009; Waste  $\beta$  .12,  $\rho$  .057). In other words, workers in these two departments experienced higher job satisfaction but surprisingly were less likely to exert discretionary effort. In addition, Benefits Service Department in Malaysia had a significant effect on Stress ( $\beta$  -.14,  $\rho$  .020). Thus, it appears that Benefits Service Department workers experienced less stress in comparison with the other service departments. Therefore, workers in Malaysia Service Departments were motivated and satisfied with their job however, the workers were unlikely to do extra work without additional pay. These results contrasted with England Service



Departments in that the Service Departments had no significant effects on Worker Outcomes, with the exception for Motivation in that workers in Benefits and Housing Service Departments were less motivated in comparison to the control group, Leisure Services (Benefits  $\beta$  -.16,  $\rho$  .003; Housing  $\beta$  -.14,  $\rho$  .015).

The Employment Contract in Malaysia had a positive significant effect on Motivation ( $\beta$  .13,  $\rho$  .006), and an inverse effect on Intention to Quit ( $\beta$  -.17,  $\rho$  .001). In contrast, the Employment Contract in the context of England workers had a significant negative effect on Motivation ( $\beta$  -.11,  $\rho$  .007). These results show that permanent workers in Malaysia were more likely to be motivated and were less likely to quit the job, whereas permanent workers in England local government were less likely to be motivated.

The analyses show that Understaffing in England had no significant effects on all the dependent variables. However, in Malaysia, there was a significant effect on Perceived Organisational Performance ( $\beta$  .08,  $\rho$  .041). In other words, it appears that the Malaysia respondents when comparing their service performance with other authorities were more likely to provide favourable views if they experienced staff shortages. Similarly, both Salary and Gender in England had no significant effects on all dependent variables but there was at least one significant effect of both Salary and Gender in Malaysia on Organisational Citizenship Behaviour (Salary  $\beta$  .18,  $\rho$  .004; Gender  $\beta$  .11,  $\rho$  .016 respectively). These results show that female workers and those with higher salaries in Malaysia were more likely to do extra work without any additional pay. Finally, the analyses show that Age in England had a significant effect on Job Satisfaction ( $\beta$  .10,  $\rho$  .007). In other words,

older workers in England were more satisfied with their job than younger workers. Age in Malaysia had no significant effects on all dependent variables. These results show that in Malaysia, age was not an important factor to predict the relationship between best practice HRM and workers' performance.

## **6.7 An examination of the effects of individual practices on worker performance outcomes**

So far, our analysis has considered the combined effect of best practice HRM on performance outcomes. In order to evaluate the individual effects of the best practice HRM, further regression analyses were undertaken as shown in Tables 6.11 and Table 6.12. The analyses show that the predictive variables explained twice the effect on Stress and Job Satisfaction for the sample of England local government workers (Equation 4: Stress  $R^2$  .59,  $F$  70.22,  $p$  .000; Equation 2: Job Satisfaction  $R^2$  .42,  $F$  35.81,  $p$  .000) than in Malaysia local government workers (Equation 4: Stress  $R^2$  .34,  $F$  20.58,  $p$  .000; Equation 2: Job Satisfaction  $R^2$  .23,  $F$  11.75,  $p$  .000) in that the predictive variables explained 30 per cent (England) and 29 per cent (Malaysia) change in Motivation (Equation 1), 17 per cent (England) and 24 per cent (Malaysia) change in Intention to Quit (Equation 5), and 27 per cent (England) and 22 per cent (Malaysia) change in Perceived Organisational Citizenship Behaviour (Equation 3).

Table 6.12 Regression analyses of the affects of individual HRM Practices on Worker Outcomes: England sample

Independent variables	Worker Outcomes										Organisational Outcomes	
	Equation 1		Equation 2		Equation 3		Equation 4		Equation 5		Equation 6	
	Motivation		Job satisfaction		Organisational Citizenship Behaviour		Stress		Intention to quit		Perceived organisational performance	
	Standard $\beta$	VIF	Standard $\beta$	VIF	Standard $\beta$	VIF	Standard $\beta$	VIF	Standard $\beta$	VIF	Standard $\beta$	VIF
<b>HRM Practices</b>												
Selection	.08 (.051)	1.39	-.05 (.233)	1.39	-.03 (.528)	1.39	-.02 (.526)	1.39	-.05 (.273)	1.39	.01 (.753)	1.39
Training	.08 (.133)	1.99	.26 (.000)	1.99	.02 (.726)	1.99	.00 (.961)	1.99	-.13 (.011)	1.99	.15 (.003)	1.99
Team working	.12 (.008)	1.55	.15 (.000)	1.55	.10 (.062)	1.55	-.08 (.017)	1.55	-.09 (.048)	1.55	.20 (.000)	1.55
Performance appraisal	-.00 (.977)	1.70	-.06 (.162)	1.70	.05 (.374)	1.70	-.09 (.011)	1.70	.04 (.441)	1.70	.04 (.455)	1.70
Rewards	.05 (.213)	1.42	.18 (.000)	1.42	.15 (.002)	1.42	-.03 (.397)	1.42	-.08 (.081)	1.42	.03 (.493)	1.42
Communication	.17 (.003)	2.44	.16 (.002)	2.44	.03 (.662)	2.44	-.03 (.551)	2.44	-.12 (.036)	2.44	.14 (.016)	2.44
Climate	-.04 (.371)	1.40	.07 (.071)	1.40	-.05 (.250)	1.40	-.00 (.937)	1.40	.01 (.832)	1.40	-.04 (.365)	1.40
Involvement	.07 (.138)	1.83	.02 (.715)	1.83	.20 (.000)	1.83	-.05 (.231)	1.83	-.09 (.080)	1.83	-.03 (.486)	1.83
Trust	.12 (.007)	1.61	.07 (.091)	1.61	.10 (.036)	1.61	-.01 (.896)	1.61	-.10 (.024)	1.61	.19 (.000)	1.61
<b>Resources</b>												
Understaffed	.07 (.078)	1.33	.04 (.281)	1.33	.01 (.848)	1.33	-.03 (.280)	1.33	-.04 (.325)	1.33	.04 (.342)	1.33
Work pressure	-.20 (.000)	1.33	-.16 (.000)	1.33	.00 (.996)	1.33	.72 (.000)	1.33	.22 (.000)	1.33	-.03 (.447)	1.33
<b>R<sup>2</sup></b>	<b>.30</b>		<b>.42</b>		<b>.17</b>		<b>.59</b>		<b>.27</b>		<b>.29</b>	
<b>Adjusted R<sup>2</sup></b>	<b>.28</b>		<b>.41</b>		<b>.16</b>		<b>.58</b>		<b>.26</b>		<b>.27</b>	
<b>F value (Sig. level)</b>	<b>20.73 (.000)</b>		<b>35.81 (.000)</b>		<b>10.32 (.000)</b>		<b>70.22 (.000)</b>		<b>18.51 (.000)</b>		<b>19.98 (.000)</b>	
<b>N</b>	<b>561</b>		<b>561</b>		<b>561</b>		<b>561</b>		<b>561</b>		<b>561</b>	

Table 6.13 Regression analyses of the affects of individual HRM Practices on Worker Outcomes: Malaysia sample

Independent variables	Worker Outcomes										Organisational Outcomes	
	Equation 1		Equation 2		Equation 3		Equation 4		Equation 5		Equation 6	
	Motivation		Job satisfaction		Organisational Citizenship Behaviour		Stress		Intention to quit		Perceived organisational performance	
	Standard $\beta$	VIF	Standard $\beta$	VIF	Standard $\beta$	VIF	Standard $\beta$	VIF	Standard $\beta$	VIF	Standard $\beta$	VIF
<b>HRM Practices</b>												
Selection	.00 (.998)	1.51	.01 (.879)	1.51	.07 (.185)	1.51	.02 (.737)	1.51	<b>.15 (.003)</b>	1.51	.06 (.218)	1.51
Training	-.05 (.373)	2.25	<b>.15 (.022)</b>	2.25	-.11 (.091)	2.25	-.02 (.744)	2.25	-.11 (.076)	2.25	<b>.14 (.017)</b>	2.25
Team working	<b>.36 (.000)</b>	1.58	<b>.12 (.019)</b>	1.58	.01 (.872)	1.58	<b>-.01 (.047)</b>	1.58	<b>-.16 (.004)</b>	1.58	<b>.13 (.008)</b>	1.58
Performance appraisal	-.05 (.268)	1.46	.04 (.389)	1.46	<b>-.14 (.007)</b>	1.46	.07 (.137)	1.46	-.05 (.309)	1.46	.02 (.751)	1.46
Rewards	<b>.16 (.002)</b>	1.58	<b>.19 (.000)</b>	1.58	<b>.43 (.000)</b>	1.58	<b>-.10 (.043)</b>	1.58	<b>-.16 (.003)</b>	1.58	.07 (.130)	1.58
Communication	<b>.15 (.014)</b>	2.19	.05 (.414)	2.19	<b>.14 (.021)</b>	2.19	-.07 (.247)	2.19	-.09 (.161)	2.19	<b>.26 (.000)</b>	2.19
Climate	.06 (.204)	1.43	<b>.12 (.017)</b>	1.43	.05 (.372)	1.43	.04 (.364)	1.43	.03 (.624)	1.43	.02 (.624)	1.43
Involvement	.01 (.810)	1.50	-.04 (.485)	1.50	-.03 (.552)	1.50	.06 (.228)	1.50	.05 (.305)	1.50	.02 (.683)	1.50
Trust	.03 (.525)	1.64	.02 (.713)	1.64	.08 (.143)	1.64	-.02 (.732)	1.64	-.02 (.675)	1.64	.09 (.054)	1.64
<b>Resources</b>												
Understaffed	.04 (.343)	1.13	.08 (.063)	1.13	<b>.16 (.000)</b>	1.13	.04 (.313)	1.13	-.02 (.711)	1.13	.06 (.116)	1.13
Work pressure	-.06 (.189)	1.13	-.01 (.795)	1.13	<b>.09 (.039)</b>	1.13	<b>.51 (.000)</b>	1.13	<b>.25 (.000)</b>	1.13	<b>-.10 (.018)</b>	1.13
<b>R<sup>2</sup></b>	<b>.29</b>		<b>.23</b>		<b>.24</b>		<b>.34</b>		<b>.22</b>		<b>.36</b>	
<b>Adjusted R<sup>2</sup></b>	<b>.27</b>		<b>.21</b>		<b>.22</b>		<b>.32</b>		<b>.20</b>		<b>.35</b>	
<b>F value (Sig. level)</b>	<b>16.01 (.000)</b>		<b>11.75 (.000)</b>		<b>12.40 (.000)</b>		<b>20.58 (.000)</b>		<b>11.24 (.000)</b>		<b>22.79 (.000)</b>	
<b>N</b>	<b>452</b>		<b>452</b>		<b>452</b>		<b>452</b>		<b>452</b>		<b>452</b>	

On this basis, it can be argued that the regression equations provide an adequate explanation of variation for each of the dependent variables for both countries.

The analyses show that Team Working had significant effects on four of the five dependent variables in both countries. The size of the effects were as follows: Job Satisfaction (England  $\beta$  .15,  $\rho$  .000; Malaysia  $\beta$  .12,  $\rho$  .019), Motivation (England  $\beta$  .12,  $\rho$  .008; Malaysia  $\beta$  .36,  $\rho$  .000), Intention to Quit (England  $\beta$  -.09,  $\rho$  .048; Malaysia  $\beta$  -.16,  $\rho$  .004) and Stress (England  $\beta$  -.08,  $\rho$  .017; Malaysia  $\beta$  -.16,  $\rho$  .004). When compared between England and Malaysia local government workers, Team Working in England had greater effects on Job Satisfaction and Stress than Malaysia local government workers. Whereas, Team Working in Malaysia had greater effects on Motivation and Intention to Quit than England local government workers. There were no significant effects between Team Working and Organisational Citizenship Behaviour in both countries. These findings suggest that team working practices is an essential practice for achieving desirable outcomes such as job satisfaction and motivation, and reduce their intention to quit and stress. These findings provided additional support to previous studies by Paul and Anantharaman (2003), Ahamd and Schroeder (2003), Gould-Williams (2004), Gould-Williams and Davies (2005) and Tessema and Soeters (2006) who reported similar significant effects of team working.

The analyses of this research project also show that Work Pressure consistently had significant effects on four dependent variables in England and three dependent variables on Malaysia local government workers. Specifically, Work Pressure had a greater effect on Stress in England than Malaysia local government (England  $\beta$

.72,  $\rho$  .000; Malaysia  $\beta$  .51,  $\rho$  .000). In addition, Work Pressure affected Intention to Quit in both England and Malaysia local government workers (England  $\beta$  .22,  $\rho$  .000; Malaysia  $\beta$  .25,  $\rho$  .000). The effect of Work Pressure on Motivation and Job Satisfaction were inversely in England (Motivation  $\beta$  -.20,  $\rho$  .000; Job Satisfaction  $\beta$  -.16,  $\rho$  .000) but had no significant effect in Malaysia local government. Surprisingly, Work Pressure had a significant positive effect on Organisational Citizenship Behaviour in Malaysia (Satisfaction  $\beta$  .09,  $\rho$  .039) but no significant effect was noted in England local government. Therefore, the results of these analyses show that work pressure in both England and Malaysia local government was an important factor in predicting workers' performance outcomes. This means that workers in England who had high work pressure, decreased their work motivation, job satisfaction, and increased their stress and intention to quit. Similarly, workers in Malaysia local government who had high work pressure experienced, not only increased stress and intention to quit but also displayed increased organisational citizenship behaviour. Therefore, with the exception of the latter finding, these findings provide additional empirical support to previous studies by Guest (1999), Ramsay et al. (2000), Appelbaum et al. (2000), Godard (2001) and Gould-Williams (2003; 2004).

Rewards in Malaysia local government consistently had significant predictive effects on all five dependent variables, all of which were in the anticipated direction. The largest effects were found between Rewards and Organisational Citizenship Behaviour ( $\beta$  .43,  $\rho$  .000). Also, notable effects were found between Reward practices and (i) Job Satisfaction ( $\beta$  .09,  $\rho$  .039); (ii) Motivation ( $\beta$  .36,  $\rho$  .000); (iii) Intention to Quit ( $\beta$  -.16,  $\rho$  .004); and (iv) Stress ( $\beta$  -.01,  $\rho$  .047). Thus,

the results of this research project show that reward systems are a critical element for achieving desirable worker performance outcomes in Malaysia local government. This means that workers, who perceived that they are fairly rewarded for the work they do are more likely to display higher levels of organisational citizenship behaviour and experience greater job satisfaction and motivation but will be less likely to experience stress and intention to quit. These findings provided additional empirical supports to earlier studies by Huselid (1995), Guest (1999), Bartel (2004), Tzafrir (2005), Tessema and Soeters (2006) and Sels et al. (2006).

The predictive variable Communication in England local government consistently had significant effects on three dependent variables, namely Motivation ( $\beta$  .17,  $\rho$  .003), Job Satisfaction ( $\beta$  .16,  $\rho$  .002) and Intention to Quit ( $\beta$  -.12,  $\rho$  .036). There were no significant effects between Communication and Organisational Citizenship Behaviour and Stress. Therefore, these findings show that communication practices in England are an important predictor for achieving motivation, job satisfaction and intention to quit. This means that workers, who had positive experiences in communication, were highly motivated and satisfied, and less likely to quit. These results support previous studies conducted by Guest et al. (2003), Ahmad Schroeder (2003), Bartel (2004) and Guerrero and Barrand-Didier (2004).

Overall, the results show that all individual HR practices significantly affected at least one worker performance outcome in both England and Malaysia local government organisations. Team working had the most powerful and consistent

effects on worker outcomes in both England and Malaysia local government organisations. In addition, communication practices had consistent effects on worker outcomes in England local government, whereas reward practices in Malaysia local government. Finally, work pressure had powerful and consistent effects on worker performance in both England and Malaysia local government organisations.

## **6.8 Summary**

This chapter reports the findings of the descriptive and inferential statistics using the SPSS version 12 package. It describes about the samples' demographic profiles and the assumptions of normality and outliers of the current research project data set. This chapter provides the results of significant differences of the variables' mean scores between England and Malaysia local government workers. Consistent with my research hypotheses, the results of bivariate correlation analyses proposed that the relationships were in the anticipated directions, except for stress.

With regards to the results for the comparative effects of the independent variables on dependent variables, the standard multiple regression analyses suggest that the predictive variables namely, HRM practices, organisational climate, involvement, trust, resources, country, age, salary, gender, contract and the four service departments had significant predictive effects on worker outcomes and perceived organisational performance. The  $R^2$  and  $\beta$  values show that these predictive variables had provided an adequate explanation of variance in all worker outcomes and perceived organisational performance. Therefore, best practice HRM and



organisational climate do affected workers' performance and perceived organisational performance in both England and Malaysia local government organisations. For that, these findings support the universal application of best practice HRM in non-Westernised country.

While organisational climate affected motivation, job satisfaction and organisational citizenship behaviour in Malaysia local government workers, it only affected job satisfaction in England local government workers. These results show that when comparing with Malaysia, organisational climate in England local government was not an important predictor for workers' and organisational performance. On a basis of these findings, this research project therefore, supports Hypotheses 1a,1b, 1d, 2a, 2b, 2c, 2d, 3a, 3b, 3d, 5a, 5b, 6a, 6b, 6f, 6g and 6n; however rejects Hypotheses 1c, 3c, 4a, 4b, 4c, 4d, 5c, 5d, 6c, 6d, 6e, 6h, 6i, 6j, 6k, 6l and 6m.

Concerning the individual effects of the best practice HRM, these research findings show that individual practices of best practice HRM namely selection, training, team working, performance appraisal, rewards and communication, affected the performance of workers in both England and Malaysia local government organisations. Of these practices, team working consistently had the most powerful effects on worker outcomes in both England and Malaysia local government organisations, with work pressure having moderate effects on worker outcomes in both countries. Therefore, team working and work pressure were crucial predictors for achieving desirable worker outcomes in both England and Malaysia local government organisations. Based on the findings in this chapter and literature

review, the following chapter will present the conclusion of the current research project, along with the implications, limitations and directions for future research.

**CONCLUSI**

## CHAPTER

# 7

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## CONCLUSION

This chapter summarises the main findings reported in this current research project. The chapter begins with the overview of main research issues, followed by hypotheses and main findings. Next, this chapter outlines several implications, contributions and limitations of the current research. At the end of the chapter, direction for future research is presented.

### 7.1 Overview of the main research issues

This current research aims to compare the effects of best practice HRM on performance outcomes between a stratified sample of local government workers in England and Malaysia. Specifically, it compares the relationship between best practice HRM, worker outcomes and perceived organisational performance between England and Malaysia local government workers. This research project has built on the existing empirical research base developed in the themes of: (i) universalistic perspective of best practice HRM; (ii) performance at individual and organisational level; and (iii) international comparative HRM. The literature review revealed some significant gaps which have been addressed by this research project.

Firstly, as workers are considered important assets in achieving improved performance (Barney 1995) the way they are treated is important (Pfeffer 1994). On the basis of the resource-based view, scholars in the field of HRM and performance suggest that there is an identifiable set of best practice HRM that are thought to have a universal, additive and significant positive effect on organisational performance (Wood and deMenezes 1998; Godard 2001; Gould-Williams 2004). In addition to that, scholars report that this identifiable set of best practice HRM should be considered complementary (Barney 1995; Pfeffer 1998; Becker et al. 2001). However there is on-going debate relating to the exact nature and type of HR practices to be used in complementary bundles (Lepak and Snell 2002). Nevertheless, as Boselie et al. (2005: 74) point out, “...*until consensus is achieved on conceptual matters, and perhaps even then, it would seem that HRM can consist of whatever researchers wish or, perhaps, what their samples and data sets dictate*”.

The second main issue of this current research project concerns performance measures. Research on the relationships between best practice HRM and organisational performance has been of increasing interest over the past decades (e.g. Delery and Doty 1996; Ichniowski et al. 1997; Capelli and Neumark 2001; Rodriguez and Ventura 2003; Wright et al. 2003; Bartel 2004; Michie and Quinn 2005). Findings from these studies have reported positive significant relationships between best practice HRM and organisational performance. Nevertheless, the majority of the studies employed organisation-dominated performance measures, particularly financial-economic measures such as profitability, return on average

asset, return on equity, sales growth and productivity. Therefore, less interest has been paid to investigating the concept of performance from a worker's perspective.

In other words, previous studies have adopted a limited scope in measuring performance. Even though there are several studies that have used the balanced scorecard model of performance to explore the best practice HRM and performance relationships, they have ignored performance from the individual worker's perspective (Atkinson et al. 1997; Maltz et al. 2003; Andersen et al. 2004). Given that, according to the resource-based theory, workers are critical assets in achieving superior performance, their experience of best practice HRM implementation in an organisation should be considered along with their effects on individual worker outcomes (Pfeffer 1994; Barney 1995; Gratton 2005). In consequence, a broader scope of performance with a much wider range of stakeholders is needed when examining the relationships between best practice HRM and performance (Paauwe 2004). For example, a multidimensional model of performance based on the views of a cross-section of perspectives namely those of senior managers, supervisors and frontline workers. Thus, on the basis that human resources are an important factor in helping organisations to become more effective, performance should not only be measured from the perspectives of financial-economic but also from worker's perspective too (Pfeffer 1994; Barney 1995; Gratton 2000; Paauwe 2004).

Previous studies also show that there is on-going debate concerning the process of how best practice HRM and performance link. In fact, the lack of significant evidence in this area is regarded as a key weakness in the best practice HRM and organisational performance literatures (Appelbaum et al. 2000). In an attempt to explain the process of how best practice HRM affects performance, Guest (1997) suggests theories of organisational behaviour and motivation. For example, Guest (1997) and Boxall and Purcell (2003) suggest that one potential basis for a relationship between best practice HRM and performance is based on expectancy theory of motivation.

Finally, the main issue of this research project is concerned with international comparative HRM research. It has been said that due to the increased level of globalisation and the internationalisation of business, international comparative HRM research is important (Clark et al. 1999; Budhwar and Debrah 2001). Since multinational corporations enter the more dynamic and challenging world of business and the expansion of world markets continues rapidly, managers in organisations need to be concerned on how to manage their multi-cultural workers abroad and within their own national contexts (Schullion and Starkey 2000; Schuler et al. 2002; Lansbury and Baird 2004). Given that the universalistic perspective of HRM has received some empirical support from previous studies however, the majority of findings so far are based on research emerging from the US and UK (Pfeffer 1994; Huselid 1995; Ichniowski and Shaw 1999; Gould-Williams 2003; 2004). It is therefore important to consider whether the universal perspective has similar performance effects across different national contexts

(Brewster 1995; Budhwar and Debrah 2001; Budhwar and Pawan 2001; Bowen et al. 2002; Budhwar and Sparrow 2002a; 2002b, Boselie et al. 2005). In addition, these studies were predominantly focused on the relationships between best practice HRM and performance in private sector organisations (for exception see Gould-Williams 2004). Therefore, the proposition that best practice HRM affects performance outcomes at the worker level in public sector organisations in non-Westernised countries needs to be empirically tested. As such, this current research project investigates by means of a comparative study, whether the relationship between best practice HRM and performance in Malaysia local government organisations have similar effects as those reported by English local government workers. In other words, this research project examines whether the institutional context influences the relationship between best practice HRM, worker outcomes and perceived organisational performance.

## **7.2 Summary of research hypotheses and main findings**

In order to address the significant gaps mentioned in the previous section, the following hypothesised relationships were tested and the main findings are summarised as follows:

### **Hypotheses 1a and 1b**

*Hypothesis 1a: 'Best practice' HRM will positively effect worker motivation in England local government organisations.*

*Hypothesis 1b: 'Best practice' HRM will positively effect worker motivation in Malaysia local government organisations.*



This empirical research project provided support for the relationship between best practice HRM and worker motivation in both England and Malaysia local government organisations thus, the null hypotheses can be rejected. Furthermore, the predictive effect of best practice HRM was greater in Malaysia than England. The findings indicate that best practice HRM explained workers' motivation in Malaysia more so than they did in England. These findings provide additional support for Huselid (1995), Dowling and Richardson (1997), Guest (1999), Fey et al. (2000), Appelbaum et al. (2000), Godard (2001), Gould-Williams (2004), Gould-Williams and Davies (2005) and Tessema and Soeters (2006).

#### Hypotheses 2a and 2b

*Hypothesis 2a: 'Best practice' HRM is positively associated with job satisfaction in England local government organisations.*

*Hypothesis 2b: 'Best practice' HRM is positively associated with job satisfaction in Malaysia local government organisations.*

With regards to the relationship between best practice HRM and job satisfaction in England and Malaysia local government organisations, the empirical findings reported a positive relationship, thus the null hypotheses can be rejected. In this instance, the predictive effect of best practice HRM was greater in England than Malaysia. These results show that best practice HRM explained workers' job satisfaction in England more so than they did in Malaysia. Nevertheless, consistent with the universal thesis, the effect of best practice HRM on Malaysia workers' satisfaction is positive. These findings provide additional support for

Guest (1999), Appelbaum et al. (2000), Godard (2001), Guest (2002), Boselie and Wiele (2002), Park et al. (2003), Batt (2004), Gould-Williams (2004), Bartel (2004), Kinnie et al. (2005) and Tessema and Soeters (2006). For example, Guest (1999; 2002) reported that workers who experienced high levels of best practice HRM were more satisfied with their jobs. Godard (2001) found that alternative work practices had significantly linked with increased job satisfaction. Bartel (2004) and Kinnie et al. (2005) also reported that HRM practices had a significant positive association with workers' satisfaction.

#### Hypotheses 3a and 3b

*Hypothesis 3a: 'Best practice' HRM is positively associated with organisational citizenship behaviour in England local government organisations.*

*Hypothesis 3b: 'Best practice' HRM is positively associated with organisational citizenship behaviour in Malaysia local government organisations.*

Similarly, this empirical research project offered support for the relationship between best practice HRM and organisational citizenship behaviour in both England and Malaysia local government organisations thus, the null hypotheses can be rejected. The predictive effect of best practice HRM was greater in Malaysia than England local government workers. The findings indicate that best practice HRM explained workers' willingness to do extra works for Malaysia workers more so than England workers. These findings provide additional support

for Cappelli and Rogovsky (1998), Hui et al. (2000), Ghorpade et al. (2001) and Pare and Trembley (2004).

#### Hypotheses 4a and 4b

*Hypothesis 4a: 'Best practice' HRM is positively associated with stress in England local government organisations.*

*Hypothesis 4b: 'Best practice' HRM is positively associated with stress in Malaysia local government organisations.*

Inverse relationships were found between best practice HRM and stress, which were inconsistent with previous studies by Ramsay et al. (2000), Appelbaum et al. (2000), Godard (2001) and Kalleberg and Berg (2002). Therefore, the null hypotheses cannot be rejected. The findings suggest that best practice HRM had an inverse relationship with workers' stress in both countries, with greater effects noted amongst England than Malaysia local government workers.

#### Hypotheses 5a and 5b

*Hypothesis 5a: 'Best practice' HRM is negatively associated with intention to quit in England local government organisations.*

*Hypothesis 5b: 'Best practice' HRM is negatively associated with intention to quit in Malaysia local government organisations.*

With regards to intention to quit, this empirical research project provided support for the relationship between best practice HRM and workers' intention to quit in

both England and Malaysia local government organisations thus, the null hypotheses can be rejected. Additionally, the predictive effect of best practice HRM was greater in England than Malaysia. The findings indicate that the implementation of best practice HRM had an inverse association with workers' intention to quit in England more so than they did in Malaysia. These findings provide additional empirical support for Boselie and Wiele (2002), Gould-Williams (2003), Hartog and Verburg (2004), Pare and Trembley (2004) and Tessema and Soeters (2006). For example, Gould-Williams (2003) reported that HR practices had a negative linkage to intention to quit. Grant and Wagar (2004) reported a negative significant linkage between high commitment HRM practices and intention to quit. Likewise, Hartog and Verburg (2004) reported that high performance work systems had a significant inverse relationship with intention to quit.

#### Hypotheses 6a and 6b

*Hypothesis 6a: 'Best practice' HRM is positively associated with perceived organisational performance in England local government organisations.*

*Hypothesis 6b: 'Best practice' HRM is positively associated with perceived organisational performance in Malaysia local government organisations.*

Finally, the results of this empirical research project provided support for the relationship between best practice HRM and perceived organisational

performance in both England and Malaysia local government organisations thus, the null hypotheses can be rejected. Furthermore, the predictive effect of best practice HRM was greater in Malaysia than England. The findings show that best practice HRM explained perceived organisational performance in Malaysia more so than they did in England. These findings provide additional support for Harel and Tzafrir (1999), Gould-Williams (2003), Galang (2004) and Tzafrir (2005). For example, both Harel and Tzafrir (1999) and Gould-Williams (2003) studies of public sector organisations found that HRM practices had a significant positive effect on perceived organisational performance. Likewise, Galang (2004) and Tzafrir (2005) found that HRM practices were positively related to perceived organisational performance.

Overall, these empirical findings provide support for the relationships between best practice HRM and all workers' outcomes and perceived organisational performance, except for workers' stress in both England and Malaysia local government organisations. The findings confirm that high levels of best practice HRM explained workers' motivation, organisational citizenship behaviour and perceived organisational performance more so in Malaysia than in England local government. In other words, workers in Malaysia local government were highly motivated and willing to help others with no additional pay. However, they had less of an effect on job satisfaction and intention to quit when compared with England local government workers.

Concerning the relationships between organisational climate and worker performance outcomes, the following paragraphs summarise the tested hypotheses of the organisational climate and worker outcomes relationships.

#### Hypotheses 1c and 1d

*Hypothesis 1c: Organisational climate will positively effect worker motivation in England local government organisations.*

*Hypothesis 1d: Organisational climate will positively effect worker motivation in Malaysia local government organisations*

The empirical research findings provided support for the relationship between organisational climate and worker motivation in Malaysia local government organisation thus, the null hypothesis can be rejected. However, this empirical research project did not provide support for the relationship between organisational climate and worker motivation in England. The findings in Malaysia provide additional support for Patterson et al. (2004), Bowen and Ostroff (2004), Buttigieg and Gehan (2005), Neal et al. (2005) and Gould-Williams (2007).

#### Hypotheses 2c and 2d

*Hypothesis 2c: Organisational climate is positively associated with job satisfaction in England local government organisations.*

*Hypothesis 2d: Organisational climate is positively associated with job satisfaction in Malaysia local government organisations.*

As with job satisfaction, the significant research findings provided support for the relationship between organisational climate and workers' job satisfaction in both England and Malaysia thus; the null hypotheses can be rejected. In addition, the predictive effect of organisational climate was higher in Malaysia than organisational climate in England local government. These findings indicate that organisational climate explained workers' job satisfaction more so in Malaysia than they did in England local government. The findings provide additional support for Patterson et al. (2004), Bowen and Ostroff (2004), Buttigieg and Gehan (2005), Neal et al. (2005) and Gould-Williams (2007).

#### Hypotheses 3c and 3d

*Hypothesis 3c: Organisational climate is positively associated with organisational citizenship behaviour in England local government organisations.*

*Hypothesis 3d: Organisational climate is positively associated with organisational citizenship behaviour in Malaysia local government organisations.*

With regards to organisational citizenship behaviour, the empirical research findings provided support for the relationship between organisational climate and workers' organisational citizenship behaviour in Malaysia thus; the null hypothesis can be rejected. However, similar findings were not provided in the case of England local government workers.

Hypotheses 4a to 6b

*Hypothesis 4c: Organisational climate is positively associated with stress in England local government organisations.*

*Hypothesis 4d: Organisational climate is positively associated with stress in Malaysia local government organisations.*

*Hypothesis 5c: Organisational climate is negatively associated with intention to quit in England local government organisations.*

*Hypothesis 5d: Organisational climate is negatively associated with intention to quit in Malaysia local government organisations.*

*Hypothesis 6c: Organisational climate is positively associated with perceived organisational performance in England local government organisations.*

*Hypothesis 6d: Organisational climate is positively associated with perceived organisational performance in Malaysia local government organisations.*

The empirical research findings did not provided support for the relationship between organisational climate, stress, intention to quit and perceived organisational performance thus; the null hypotheses for these dependent variables cannot be rejected. The findings indicate that organisational climate in both countries was *not* an important predictor of stress, intention to quit and perceived organisational performance. These findings do not provide additional



empirical support for Patterson et al. (2004), Bowen and Ostroff (2004), Buttigieg and Gehan (2005), Neal et al. (2005) and Gould-Williams (2007), all of whom reported on inverse effect.

#### Hypotheses 6e to 6n

*Hypothesis 6e: Worker motivation is positively associated with perceived organisational performance in England local government organisations.*

*Hypothesis 6f: Worker motivation is positively associated with perceived organisational performance in Malaysia local government organisations.*

*Hypothesis 6g: Job satisfaction is positively associated with perceived organisational performance in England local government organisations.*

*Hypothesis 6h: Job satisfaction is positively associated with perceived organisational performance in Malaysia local government organisations.*

*Hypothesis 6i: Organisational citizenship behaviour is positively associated with perceived organisational performance in England local government organisations.*

*Hypothesis 6j: Organisational citizenship behaviour is positively associated with perceived organisational performance in Malaysia local government organisations.*

*Hypothesis 6k: Stress is positively associated with perceived organisational performance in England local government organisations.*

*Hypothesis 6l: Stress is positively associated with perceived organisational performance in Malaysia local government organisations.*

*Hypothesis 6m: Intention to quit is negatively associated with perceived organisational performance in England local government organisations.*

*Hypothesis 6n: Intention to quit is negatively associated with perceived organisational performance in Malaysia local government organisations.*

Concerning the relationship between workers' outcomes and perceived organisational performance, the empirical research findings provided support for the relationship between job satisfaction and perceived organisational performance in England but not Malaysia local government thus; the null hypothesis can be rejected only in the case of the England sample. In addition, the

empirical research findings also provided support for the relationship between worker motivation and intention to quit in Malaysia but not in England local government therefore; the null hypotheses can only be rejected for the case of the Malaysia sample. These findings indicate that job satisfaction was an important predictor of perceived organisational performance in England whereas worker motivation and intention to quit were important predictors of perceived organisational performance in Malaysia local government.

In conclusion, the findings of this empirical research project have addressed the significant gaps in the extant literature for the universal thesis in that the evidence presented here provides statistically significant findings. This research project provides additional empirical strong support for the relationships between best practice HRM and workers' outcomes in public sector organisations, from both Westernised and non-Westernised countries.

### **7.3 Implications and contributions of study**

The findings of this empirical research project have several important implications. As confirmed in the regression analyses, best practice HRM was the best predictor of workers' performance outcomes and perceived organisational performance in both England and Malaysia local government organisations. The findings support the notion that HR practices enhance individual and organisational performance outcomes (Barney 1995; Becker et al. 2001). Of these practices, team working was the most powerful explanatory variable in both

countries, along with communication and reward systems. These findings were consistent with the previous studies by Huselid (1995), Guest (1997), Wood and deMenezes (1998), Godard (2001), Gould-Williams (2003; 2004), Gould-Williams and Davies (2005) and Tessema and Soeters (2006).

In particular, the findings of the relationships between best practice HRM and workers' performance outcomes were consistent with expectancy theory of motivation, which is regarded as a suitable model for understanding the relationship between the best practice HRM and performance outcomes (MacDuffie 1995; Guest 1997). According to Porter and Lawler's (1968) expectancy theory, workers will put a high effort in their job if they perceive that the organisation will provide attractive rewards, and these rewards will result from effort that they made (see Figure 3.5, Chapter 3). Again, the findings are consistent with Porter and Lawler's (1968) expectancy theory in that workers who experience fair rewards were more likely to be satisfied.

The findings are consistent with Guest's (1997) model of HRM and performance (see Figure 3.6, Chapter 3). HRM practices, such as selection, training, appraisal, rewards, job design (i.e. team working, extensive communication and feedback), and involvement facilitate high levels of individual performance such as workers' motivation and organisational citizenship behaviour, which in turn effected organisational performance.

Based on the above explanations therefore, managers in both England and Malaysia local government organisations should consider ways in which team working can be encouraged. Furthermore, the managers should consider how workers could be kept informed of what is going on in the authorities, along with identifying fair and equitable reward systems.

The current research project also has theoretical implications for the field of HRM and performance as it presents the effects of best practice HRM on both individual and perceived organisational performance in a non-Westernised country. The results show that the impact of best practice HRM has a similar effect in both the UK and Malaysia local government organisations. These results are consistent with the universalistic perspective of HRM as proposed by Pfeffer (1994; 1998). Pfeffer (1998) claimed that best practice HRM is thought to influence organisational performance regardless of context, and this empirical study supports this argument.

Organisational climate as defined by Poole (1985) is the way workers' experience the context which they operate in and how it affects their expectations, attitudes and behaviours. As shown in the regression analyses, organisational climate explained a significant amount of change in job satisfaction for both England and Malaysia local government workers. In addition, organisational climate also explained a significant amount of change in motivation and organisational citizenship behaviour for Malaysia local government workers but not for England local government workers. These findings were consistent with previous studies.

For example, Bowen and Ostroff (2004) found that organisational climate along with best practice HRM are critical in achieving improved performance outcomes. Accordingly, managers in England and Malaysia local government organisations should consider the effects of organisational climate on worker outcomes (Bowen and Ostroff 2004; Purcell and Kinnie 2007; Gould-Williams 2007). In other words, to enhance workers' performance outcomes particularly job satisfaction, managers in both England and Malaysia local government organisations should be concerned about providing workers with support and showing an interest in their personal welfare.

#### **7.4 Limitations of study**

This current research project has several limitations that should be considered when interpreting the findings reported here. Firstly, this research project is based on self-administered survey questionnaires. Although self-administered survey questionnaires are a practical and efficient way of collecting data with each respondent being exposed to exactly the same wording of questions which should avoid any opportunity for the respondents to be biased (Oppenheim 1992, deVaus 2002; Ary et al. 2005) however, this method has the possibility of misinterpretation of the questions by the respondents. Although the researcher may understand exactly what is meant by a particular question, due to poor wording or differential meanings of terms, a different interpretation may be made by respondents (Ary et al. 2005).

Secondly, since this current research project employed a self-reported approach to measure multiple constructs at once, the results may be affected by common method variance, a principal criticism of self-reported measures (Podsakoff and Organ 1986; Harrison et al. 1996). Common method variance refers to defects in the measures' source contaminating the measures themselves, resulting in the reported correlations between measures being a factor of the measures originating from the same respondents, rather than measures of the true relationships between the constructs (Day 1996). However, self-reports remain the most common data collection tool in all social and behavioural sciences, with their application becoming even more extensive (Harrison et al. 1996).

Thirdly, the measurement scales used to examine the effects of best practice HRM on workers' performance outcomes within the selected local government organisations were rather crude, in that single-item perception measures of three of six HRM practices were used, and four of five of the workers' outcomes. These were selection, team working, performance appraisal, motivation, job satisfaction, organisational citizenship behaviour and intention to quit. As stated by Nunnally (1978), single item measures have low correlation relationships with the particular attribute in question and will also tend to relate to other attributes. Therefore, it is not surprising to find that single-item measures have considerable measurement error, making them unreliable. However, the measures used in this study were dictated by the policy nature of the England study, therefore such constraints were inevitable.

Finally, as the current research project employed a cross-sectional methodology, it did not allow tests for directionality of relationships. Instead, perceptions of best practice HRM, individual and performance outcomes were collected simultaneously. Therefore, a sufficient time lapse should occur to evaluate the effects of best practice HRM on performance outcomes. This could be achieved through longitudinal research that will then provide insights into causality.

## **7.5 Direction for future research**

Considering the limitations of the current research as presented above, the researcher suggests several directions for future research. As highlighted above, this study was based on a self-administered survey questionnaire. Future research may wish to take up other methods such as focus groups and interviews. A focus group is an exploratory research approach designed with the intention of exploring people's thoughts and feelings and obtaining detailed information about a particular topic (Patton 1990; Cunningham 1993). As stated by Denzin and Lincoln (1994), this approach applies to a situation in which the researcher or interviewer asks group members specific questions concerning a topic after considerable research has already been completed. A focus group is a "*carefully planned discussion designed to obtain perceptions in a defined area of interest in a permissive, non-threatening environment*" (Kreuger 1988: 18). For example, while workers in both Housing and Waste service departments in Malaysia local government were more likely to experience explained motivation and job satisfaction, they were also less likely to display organisational citizenship



behaviour. Thus, focus groups could provide an improved understanding of these findings. In addition, future research using longitudinal analysis would be more appropriate in order to resolve issues of causation and achieve a clearer understanding of the relationships between best practice HRM, workers' outcomes and perceived organisational performance in both England and Malaysia local government organisations.

The limitation of single-item perception measures in this study may create measurement error, making them less reliable (Nunnally 1978). As Nunnally (1978) stated, the reliability of the measurement scale increases as the number of items used in the scale increases. Since the degree of unreliability is reduced when the average score of multi-item measures is used, it is suggested that future studies should incorporate multi-item measures to increase the reliability and validity of the research instrument.

Future research may also wish to consider whether HRM has an interactive effect with other explanatory variables used in this study. For example, there is some research evidence that suggests that trust (Whitener et al. 1998; Appelbaum et al. 2000; Boselie et al. 2001; Gould-Williams 2003; Gould-Williams and Davies 2005), organisational climate (Bowen and Ostroff 2004; Gould-Williams 2007; Purcell and Kinnie 2007) and the psychological contract (Rousseau et al. 1990; 1998; Guest 1998; Boxall and Purcell 2003) may have a mediating or interactive effect on the best practice HRM. In other words, the impact of best practice HRM on workers' outcomes may be greater if such interactive effects were considered.

Moreover, as Guest (1997) suggested, the psychological contract is a key intervening variable in explaining the linkage between best practice HRM and workers' outcomes. This study's contribution has been to consider the individual effects of each of the explanatory variables.

This research is based on respondents from 45 service departments in England and 20 service departments in Malaysia local government organisations. Although the sample of 569 (England) and 453 (Malaysia) front line workers, supervisors and middle managers may be representative of the organisations from which they originate, future research may wish to consider a more extensive sample of authorities and service departments so as to be more representative of England and Malaysia local government organisations. As Paauwe (1998) stated, performance should not only be measured from the financial-economic perspective but also from the employment perspective which includes the interests of stakeholders such as board of directors, chief executive officers, workers, line managers, government, works council, trade unions, interest groups, personnel department, shareholders and financial institutions. Therefore, it would be fruitful to carry out further research of best practice HRM and workers' performance outcomes relationships from the perspectives of other stakeholders groups too.

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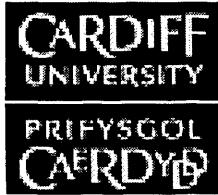
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# APPENDICES



## The 2004 Malaysia Local Government Workplace Survey

# Employee Questionnaire

This is a national survey of people working in local government. The aim is to better understand the working environment in local government and the way this affects your own experiences while at work.

There are no right or wrong answers to the questions, you simply need to tick the responses closest to your views.

The final section of the questionnaire asks for personal details needed to analyse responses. **All information will be treated in strict confidence. Completed questionnaires or individual views will not be closed to anyone in your authority or elsewhere.**

The questionnaire should take no more than 15 minutes to complete either at work or at home. I would appreciate it if you could return your completed questionnaire within the next 2 weeks.

***In appreciation for your help, everyone who returns a completed questionnaire will be entered into a prize draw to win one of three MYR100.00 prizes.***

If you need any help or want to know more about this survey, please contact:

Rosmah Mohamed  
Cardiff Business School, Cardiff University  
Colum Drive Cardiff CF10 3EU Wales U.K./  
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Selangor, Malaysia  
emma\_rosmah@yahoo.co.uk @H/P: 016-3678964

~ Thank You ~



Section One: **MANAGEMENT**

Please tick one box in each row, to indicate the extent to which you agree or disagree with each of the following statements describing **MANAGEMENT PRACTICES** in your authority.

Strongly Agree ←————→ Strongly Disagree

- |   |  |  |  |  |  |  |  |  |  |
|---|--|--|--|--|--|--|--|--|--|
| 1. Senior management have a clear vision of how this Council is planning to improve services                    | <table border="1" style="width: 100%; height: 20px; border-collapse: collapse;"> <tr> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> </tr> </table> |  |  |  |  |  |  |  |  |
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| 2. Senior management are not interested in listening to staff opinions  | <table border="1" style="width: 100%; height: 20px; border-collapse: collapse;"> <tr> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> </tr> </table> |  |  |  |  |  |  |  |  |
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| 3. Our line manager/supervisor consults us before making decisions  | <table border="1" style="width: 100%; height: 20px; border-collapse: collapse;"> <tr> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> </tr> </table> |  |  |  |  |  |  |  |  |
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| 4. Our line manager/supervisor asks us for suggestions when faced with service-related problems                 | <table border="1" style="width: 100%; height: 20px; border-collapse: collapse;"> <tr> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> </tr> </table> |  |  |  |  |  |  |  |  |
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| 5. Our line manager/supervisor considers the personal welfare of our group                                      | <table border="1" style="width: 100%; height: 20px; border-collapse: collapse;"> <tr> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> </tr> </table> |  |  |  |  |  |  |  |  |
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| 6. When I'm on a difficult assignment I can usually count on getting assistance from my line manager/supervisor | <table border="1" style="width: 100%; height: 20px; border-collapse: collapse;"> <tr> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> </tr> </table> |  |  |  |  |  |  |  |  |
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| 7. My line manager/supervisor praises me when I do a good job   | <table border="1" style="width: 100%; height: 20px; border-collapse: collapse;"> <tr> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> </tr> </table> |  |  |  |  |  |  |  |  |
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| 8. My line managers/supervisor spends too much time monitoring and controlling the work                         | <table border="1" style="width: 100%; height: 20px; border-collapse: collapse;"> <tr> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> </tr> </table> |  |  |  |  |  |  |  |  |
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| 9. My line manager/supervisor resists change  | <table border="1" style="width: 100%; height: 20px; border-collapse: collapse;"> <tr> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> </tr> </table> |  |  |  |  |  |  |  |  |
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| 10. Recommendations for service improvements are often resisted by elected members                              | <table border="1" style="width: 100%; height: 20px; border-collapse: collapse;"> <tr> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> </tr> </table> |  |  |  |  |  |  |  |  |
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| 11. Line managers/supervisors and staff trust each other  | <table border="1" style="width: 100%; height: 20px; border-collapse: collapse;"> <tr> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> </tr> </table> |  |  |  |  |  |  |  |  |
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| 12. Line managers/supervisors and staff trust members   | <table border="1" style="width: 100%; height: 20px; border-collapse: collapse;"> <tr> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> </tr> </table> |  |  |  |  |  |  |  |  |
|   |  |  |  |  |  |  |  |  |  |
| 13. The views of all staff are taken seriously by line managers/supervisors                                     | <table border="1" style="width: 100%; height: 20px; border-collapse: collapse;"> <tr> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> </tr> </table> |  |  |  |  |  |  |  |  |
|   |  |  |  |  |  |  |  |  |  |
| 14. Our line managers/supervisors are quick to blame us when things don't turn out as planned                   | <table border="1" style="width: 100%; height: 20px; border-collapse: collapse;"> <tr> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> </tr> </table> |  |  |  |  |  |  |  |  |
|   |  |  |  |  |  |  |  |  |  |
| 15. The relationship between managers and trade unions is good  | <table border="1" style="width: 100%; height: 20px; border-collapse: collapse;"> <tr> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> </tr> </table> |  |  |  |  |  |  |  |  |
|   |  |  |  |  |  |  |  |  |  |

	<b>Strongly Agree</b> ← → <b>Strongly Disagree</b>
16. We are kept well informed of what is going on in this authority	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
17. We need better line managers/supervisors if our department is to improve	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
18. Staff are encouraged to speak their minds even if it means disagreeing with their line managers/supervisors	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

**Section Two: SERVICE STANDARDS**

**Please tick one box in each row, to indicate the extent to which you agree or disagree with each of the following statements relating to WORK STANDARDS WITHIN YOUR SERVICE.**

	<b>Strongly Agree</b> ← → <b>Strongly Disagree</b>
1. What we do is driven by the needs and aspirations of service users and local people	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
2. This service is understaffed	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
3. We have the equipment we need to deliver our service properly	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
4. Red tape is kept to a minimum here	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
5. I have full confidence in the skills of my work mates/colleagues	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
6. My work mates/colleagues resist change	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
7. In this department we are provided with the training needed to achieve high standards of work	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
8. There is a general feeling that staff are accepted regardless of their personal characteristics (such as race, gender, sexual orientation or religious background)	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
9. My work mates/colleagues are frequently absent from work	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
10. I have no idea of what the objectives of my service are	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
11. I have no idea of what our service improvement targets are	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

Section Three: **WORK ENVIRONMENT**

Please tick one box in each row, to indicate the extent to which you agree or disagree with each of the following statements relating to your **WORKING ENVIRONMENT**.

	Strongly Agree ←	↔	→	Strongly Disagree
1. In this department those who perform well in their jobs get better rewards than those who just meet the basic job requirements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. I feel fairly rewarded for the amount of effort I put into my job	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. A rigorous selection process is used to select new recruits/workers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. I am provided with sufficient training and development opportunities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. I am treated fairly by this department	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. There's a friendly, supportive atmosphere amongst staff in this department	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. The morale in this department is very low	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Communication within this department is good	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Communication between departments is good	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Team working is strongly encouraged in our department	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Staff are encouraged to challenge or report incidents of unacceptable behaviour without having to worry about getting into trouble for doing so	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Staff are given meaningful feedback regarding their individual performance, at least once each a year	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. This department keeps me well informed	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Section Four: **WORK EXPERIENCE**

Please tick one box in each row, to indicate the extent to which you agree or disagree with each of the following statements relating to your **PERSONAL EXPERIENCE IN YOUR CURRENT JOB**.

Strongly Agree ←————→ Strongly Disagree

1. I am proud to tell people who I work for	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Overall, I couldn't be more satisfied with my work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. I'm prepared to do extra work for no additional pay, just to help others	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. I would feel more motivated to perform better if I received recognition from senior management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. I feel I am paid a fair amount for the work I do	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Even though I would like to help out, it's generally not possible for me to do so because of commitments outside work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. I would like to leave my job	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. I look forward to coming to work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. I work particularly hard because I want to	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. My workload negatively affects the quality of my life (e.g. family or social activities)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. I am under too much pressure in my job	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. My job involves too much work to do everything well	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Some days I feel I can't continue in this job due to work pressures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. In my job I am often confronted with problems I can't do much about	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. I understand the need for change within this department	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. I support the need for change within this department	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Section Five: **PERFORMANCE AND CHANGE**

Please tick one box in each row, to indicate the extent to which you agree or disagree with each of the following statements relating to the **PERFORMANCE OF YOUR DEPARTMENT**.

	Strongly Agree ←————→ Strongly Disagree								
1. This department provides excellent service when compared to similar services in other authorities	<table border="1" style="width: 100%; height: 20px;"> <tr> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> </tr> </table>								
2. This department has a good reputation	<table border="1" style="width: 100%; height: 20px;"> <tr> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> </tr> </table>								

Finally, to help us analyse the survey data, it is important that we have some background information about yourself. Please be assured that the information provided will NOT be traced back to you.

**GENERAL BACKGROUND INFORMATION**

1a. Which department do you work in? (Please tick one box)

- |   |   |
|---|---|
| <input type="checkbox"/> Revenue/Finance    | <input type="checkbox"/> Planning (Building, Property, Law) |
| <input type="checkbox"/> Housing Management | <input type="checkbox"/> Waste Management                   |
| <input type="checkbox"/> Leisure            |   |

1b. Please describe the service your department provides

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2. How many years have you been in your current job?

- |  |   |   |
|--|---|---|
| <input type="checkbox"/> Less than 1 year        | <input type="checkbox"/> 1 to less than 2 years | <input type="checkbox"/> 2 to less than 5 years |
| <input type="checkbox"/> 5 to less than 10 years | <input type="checkbox"/> 10 years or more       |   |

3. How many years have you been working for this authority?

- |  |   |   |
|--|---|---|
| <input type="checkbox"/> Less than 1 year        | <input type="checkbox"/> 1 to less than 2 years | <input type="checkbox"/> 2 to less than 5 years |
| <input type="checkbox"/> 5 to less than 10 years | <input type="checkbox"/> 10 years or more       |   |

- 4a. How many hours do you usually work each week (including overtime or extra hours)?  
 \_\_\_\_\_ hours/week
- 4b. If you work overtime or extra hours, what would you say is the main reason for doing so? (Please tick one box only)
- I enjoy my work
  - I need the money
  - I need to get all my work done
  - I don't want to let down the people I work with
  - It's required of me as part of my job
  - Other reason (please specify) \_\_\_\_\_
  - I never work overtime
5. Please indicate the nature of your employment contract
- Temporary
  - Contract
  - Permanent
6. Please indicate your category of service
- Category D
  - Category C
  - Category B
  - Category A
7. Do you belong to a union?  Yes  No
8. What is your monthly equivalent salary, before tax and deductions?
- Less than MYR500
  - MYR 501- MYR 800
  - MYR 801- MYR 1,100
  - MYR1,101- MYR 1,400
  - MYR 1,401- MYR 1,700
  - MYR 1,701- MYR 2,000
  - MYR 2,001- MYR 2,500
  - More than MYR 2,500
9. What is your job position? (Please tick relevant box(es))
- General worker
  - Clerical/office worker (eg secretarial, administrative)
  - Professional (eg social worker, architect, doctor)
  - Front line worker
  - Supervisor/line manager
  - Middle manager
  - Senior manager
10. Please indicate your highest qualification
- Standard Six
  - Lower Certificate of Education
  - Malaysia Certificate of Education
  - Malaysia Higher School Certificate/Diploma or equivalent
  - Bachelors Degree or equivalent
  - Masters/PhD Degree or equivalent

11. Please indicate your age group

18-20 years

21-30 years

31-40 years

41-50 years

51-60 years

Over 60 years

12. Gender

Male

Female

13. Marital status

Single

Married

Divorced/Widowed

14. Please choose one answer from this list to indicate your ethnic group and cultural background  
(Please tick one box)

Malay

Chinese

Indian

Others (please specify)  
\_\_\_\_\_

If you would like to be entered into the prize draw of survey participants, for the chance to win one of the MYR100 prizes, please write in your name and a contact telephone number.

Full Name (Please use capital letter) : \_\_\_\_\_

Telephone number: \_\_\_\_\_

Please indicate if you can be contacted on this number:  Daytime:\_\_\_\_\_  Evening:\_\_\_\_\_

Please return the questionnaire in the envelope provided to  
Human Resource Department of your authority

~ Thank you for participating ~

## Kajiselidik Tempat Bekerja Kerajaan Tempatan Malaysia 2004

# Borang Soalselidik Pekerja

Ini ialah kajiselidik bagi individu yang sedang berkhidmat dengan kerajaan tempatan Malaysia. Kajiselidik ini bertujuan untuk lebih memahami persekitaran bekerja di kerajaan tempatan Malaysia dan bagaimana persekitaran ini mempengaruhi pengalaman bekerja anda.

Tiada jawapan betul atau salah bagi semua soalan. Anda hanya perlu memberi jawapan yang paling tepat dengan pandangan anda, dengan menanda  pada kotak yang disediakan.

Bahagian terakhir soalselidik ini adalah mengenai latarbelakang diri anda. **Semua maklumat yang diberi akan disimpan oleh penyelidik sebagai MAKLUMATSULIT. Borang soalselidik yang telah lengkap diisi tidak akan disebarikan kepada mana-mana pihak samada di dalam atau di luar organisasi anda.**

Borang soalselidik ini seharusnya mengambil masa tidak lebih daripada 15 minit dan anda boleh melengkapkannya samada di tempat kerja atau di rumah. Penyelidik sangat menghargai sekiranya anda dapat memulangkan borang soalselidik yang telah lengkap diisi dalam masa 2 minggu akan datang.

**Bagi menghargai kerjasama anda, setiap responden yang memulangkan borang soalselidik yang lengkap akan berpeluang untuk memenangi satu daripada tiga hadiah cabutan bertuah yang bernilai RM100 setiap satu.**

Sekiranya anda ingin maklumat lanjut mengenai kajiselidik ini, sila hubungi:

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KEMENTERIAN PERUMAHAN &  
KERAJAAN TEMPATAN  
MALAYSIA



Terima Kasih



**Bahagian Satu: PENGURUSAN**

Berikut adalah pernyataan-pernyataan yang menerangkan tentang AMALAN-AMALAN PENGURUSAN di majlis anda. Sila tandakan  pada setiap barisan untuk menunjukkan sejauhmana anda setuju atau tidak setuju dengan pernyataan tersebut.

Sangat Setuju ←————→ Sangat Tidak Setuju

- |   |                          |                          |                          |                          |                          |                          |                          |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| 1. Pengurusan atasan mempunyai matlamat yang jelas tentang bagaimana majlis ini merancang untuk memajukan perkhidmatan mereka         | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Pengurusan atasan tidak berminat untuk mendengar pendapat-pendapat pekerja   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Sebelum membuat sesuatu keputusan, pengurus lini/penyelia berunding dengan kami terlebih dahulu                                    | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Apabila berhadapan dengan masalah-maslah yang berkaitan dengan perkhidmatan, pengurus lini/penyelia meminta cadangan daripada kami | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Pengurus lini/penyelia kami mengambilkira hal ehwal kebajikan kumpulan kami  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Apabila saya berhadapan dengan tugas yang sukar, saya boleh mendapatkan bantuan daripada pengurus lini/penyelia dengan mudah       | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. Pengurus lini/penyelia saya memberi pujian apabila saya dapat melaksanakan kerja dengan baik                                       | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. Pengurus lini/penyelia saya terlalu banyak meluangkan masa untuk mengawasi dan mengawal kerja-kerja yang saya lakukan              | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 9. Pengurus lini/penyelia saya sukar menerima perubahan   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 10. Cadangan-cadangan untuk memperbaiki perkhidmatan sering dihalang oleh ahli majlis   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 11. Pengurus lini/penyelia dan pekerja saling mempercayai antara satu sama lain   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 12. Pengurus lini/penyelia dan pekerja mempercayai ahli-ahli majlis   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 13. Pengurus lini/penyelia telah bersungguh-sungguh mengambilkira pandangan semua pekerja   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 14. Pengurus lini/penyelia kami mudah menyalahkan kami apabila sesuatu yang dirancang tidak berlaku                                   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 15. Pengurus mempunyai hubungan yang baik dengan kesatuan sekerja   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Sangat Setuju ←————→ Sangat Tidak Setuju

16. Kami sentiasa dimaklumkan dengan berita terkini dalam majlis kami

--	--	--	--	--	--	--	--

17. Kami memerlukan pengurus lini/peyelia yang lebih berkualiti sekiranya jabatan kami ingin maju

--	--	--	--	--	--	--	--

18. Pekerja digalakkan untuk menyuarakan pendapat mereka sekalipun ia bercanggah dengan pendapat pengurus lini/peyelia

--	--	--	--	--	--	--	--

**Bahagian Dua: STANDARD-STANDARD PERKHIDMATAN JABATAN**

Berikut adalah pernyataan-pernyataan yang berkaitan dengan STANDARD-STANDARD KERJA DALAM PERKHIDMATAN JABATAN anda. Sila tandakan  pada setiap barisan untuk menunjukkan sejauhmana anda setuju atau tidak setuju dengan pernyataan tersebut.

Sangat Setuju ←————→ Sangat Tidak Setuju

1. Apa yang kami lakukan adalah didorong oleh keperluan dan kehendak pengguna-pengguna perkhidmatan jabatan dan orang tempatan/rakyat

--	--	--	--	--	--	--	--

2. Perkhidmatan jabatan ini kekurangan pekerja

--	--	--	--	--	--	--	--

3. Kami mempunyai peralatan yang diperlukan, untuk memberi perkhidmatan dengan baik


4. Birokrasi di jabatan kami adalah sangat rendah

--	--	--	--	--	--	--	--

5. Saya yakin sepenuhnya dengan kemahiran rakan sekerja saya


6. Rakan sekerja saya sukar menerima perubahan

--	--	--	--	--	--	--	--

7. Di jabatan ini, kami telah disediakan dengan latihan yang diperlukan untuk mencapai standard kerja yang tinggi

--	--	--	--	--	--	--	--

8. Semua pekerja adalah dihargai tanpa mengira ciri-ciri peribadi individu tersebut (contoh: bangsa, jantina atau latarbelakang agama)


9. Rakan sekerja saya kerap ponteng kerja

--	--	--	--	--	--	--	--

10. Saya tidak tahu apakah tujuan perkhidmatan saya

--	--	--	--	--	--	--	--

11. Saya tidak tahu apakah matlamat kemajuan perkhidmatan yang ingin dicapai

--	--	--	--	--	--	--	--

**Bahagian Tiga: PERSEKITARAN KERJA**

Berikut adalah pernyataan-pernyataan yang berkaitan dengan PERSEKITARAN KERJA anda. Sila tandakan  pada setiap barisan untuk menunjukkan sejauhmana anda setuju atau tidak setuju dengan pernyataan tersebut.

	Sangat Setuju	←————→	Sangat Tidak Setuju
1. Di jabatan ini, mereka yang berprestasi tinggi akan mendapat ganjaran yang lebih berbanding dengan mereka yang hanya mencapai keperluan asas kerja	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Saya rasa telah diberi ganjaran yang setimpal dengan kerja yang saya lakukan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Proses pemilihan yang tegas telah digunakan untuk mengambil pekerja-pekerja baru	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Saya telah disediakan dengan peluang-peluang latihan dan pembangunan yang cukup	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Saya telah diperlakukan secara adil oleh jabatan ini	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Jabatan ini mempunyai persekitaran yang mudah mesra dan saling membantu dikalangan pekerjanya	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Jabatan ini mempunyai semangat pekerja yang sangat rendah	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Komunikasi di dalam jabatan ini adalah tertalu baik	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Komunikasi di antara jabatan-jabatan adalah baik	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Kerja berpasukan adalah sangat digalakkan dalam jabatan kami	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Pekerja digalakkan untuk melaporkan perkara-perkara yang berkaitan dengan tingkahlaku yang tidak diterima oleh jabatan tanpa mempunyai rasa bimbang akan menghadapi masalah jika berbuat demikian	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Pekerja akan diberi maklumbalas berkaitan dengan prestasi masing-masing, sekurang-kurangnya sekali dalam setahun	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Jabatan ini sentiasa memaklumkan kepada saya tentang maklumat terkini	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Bahagian Empat: PENGALAMAN BEKERJA**

Berikut adalah pernyataan-pernyataan yang berkaitan dengan **PENGALAMAN PERIBADI DALAM PEKERJAAN SEMASA** anda. Sila tandakan  pada setiap barisan untuk menunjukkan sejauhmana anda setuju atau tidak setuju dengan pernyataan tersebut.

Sangat Setuju ←————→ Sangat Tidak Setuju

- |   |                          |                          |                          |                          |                          |                          |                          |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| 1. Saya rasa bangga untuk memberitahu orang lain dengan siapakah saya bekerja   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Secara keseluruhannya, saya sangat berpuashati dengan kerja saya   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Saya bersedia untuk melaksanakan kerja tambahan tanpa apa-apa bayaran lebih, semata-mata kerana hendak menolong                                    | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Saya akan rasa lebih terdorong untuk melaksanakan tugas dengan lebih baik sekiranya saya diberi pengiktirafan daripada pengurusan atasan           | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Saya berasa telah dibayar gaji setimpal dengan kerja yang saya laksanakan  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Sungguhpun saya suka menolong melakukan sesuatu kerja, ianya tidak mungkin dapat dilakukan kerana mempunyai tanggungjawab lain selepas waktu kerja | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. Saya ingin berhenti kerja  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. Saya memang suka pergi kerja   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 9. Saya memang bekerja keras kerana itu yang saya mahukan   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 10. Beban kerja yang saya tanggung mempengaruhi kualiti kehidupan saya secara negatif (contoh: aktiviti-aktiviti keluarga dan masyarakat)             | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 11. Saya menerima terlalu banyak tekanan dalam pekerjaan saya   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 12. Untuk melaksanakan kerja dengan baik, saya perlu melibatkan banyak kerja  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 13. Kadangkala saya rasa tidak dapat meneruskan kerja kerana tekanan kerja yang saya alami  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 14. Dalam pekerjaan saya, saya sering berhadapan dengan masalah yang sukar untuk diselesaikan   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 15. Saya memahami akan keperluan untuk berubah di dalam jabatan ini   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 16. Saya menyokong keperluan untuk berubah di dalam jabatan ini   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

**Bahagian Lima: PRESTASI JABATAN**

Berikut adalah dua pernyataan yang berkaitan dengan PRESTASI JABATAN ANDA. Sila tandakan  pada setiap barisan untuk menunjukkan sejauhmana anda setuju atau tidak setuju dengan pernyataan tersebut.

Sangat Setuju ←————→ Sangat Tidak Setuju

1. Jabatan ini menyediakan perkhidmatan yang cemerlang jika dibandingkan dengan perkhidmatan yang sama di majlis lain

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2. Jabatan ini mempunyai reputasi yang baik

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Bagi membantu menganalisis data kaji selidik ini, adalah penting bagi penyelidik untuk mengetahui serba sedikit tentang latarbelakang diri anda. Sila pastikan anda menjawab kesemua soalan dalam bahagian ini.

**MAKLUMAT AM LATARBELAKANG RESPONDEN**

1a. Di jabatan manakah anda sedang berkhidmat? (Sila tanda satu sahaja)

- Hasil/Kewangan
- Perancangan (Bangunan, Harta, Perundangan)
- Perumahan
- Pengurusan Sampah
- Pengurusan Taman/Rekreasi dan Perkhidmatan Sosial
- Lain-lain (sila nyatakan) \_\_\_\_\_

1b. Sila terangkan perkhidmatan yang disediakan oleh jabatan anda

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2. Berapa lamakah anda telah berkhidmat?

- Kurang dari setahun
- 1 tahun - kurang dari 2 tahun
- 2 tahun - kurang dari 5 tahun
- 5 tahun - kurang dari 10 tahun
- 10 tahun atau lebih

3. Berapa lamakah anda telah berkhidmat dengan majlis ini?

- Kurang dari setahun
- 1 tahun - kurang dari 2 tahun
- 2 tahun - kurang dari 5 tahun
- 5 tahun - kurang dari 10 tahun
- 10 tahun atau lebih

4a. Berapa jamkah selalunya anda bekerja pada setiap minggu (termasuk kerja lebih masa atau masa tambahan)?

\_\_\_\_\_ jam/minggu

- 4b. Sekiranya anda bekerja lebih masa atau masa tambahan, apakah sebab utama anda berbuat demikian?  
(Sila tanda pada **satu** kotak sahaja)
- Saya suka menjalankan kerja saya
- Saya perlu wang
- Saya perlu siapkan kesemua kerja saya
- Saya tidak mahu menghampakan orang yang bekerja dengan saya
- Ia adalah tuntutan sebahagian daripada kerja saya
- Sebab-sebab lain (sila nyatakan) \_\_\_\_\_
- Saya tidak pernah bekerja lebih masa
5. Sila nyatakan taraf jawatan anda
- Pekerja Kontrak       Pekerja Tetap
6. Sila nyatakan kumpulan perkhidmatan anda
- Kumpulan D       Kumpulan C       Kumpulan B       Kumpulan A
7. Adakah anda ahli kesatuan sekerja?       Ya       Tidak
8. Apakah gaji bulanan anda, sebelum ditolak cukai dan lain-lain?
- Kurang dari RM500       RM501 - RM800       RM801 - RM1,100
- RM1,101 - RM1,400       RM1,401 - RM1,700       RM1,701 - RM2,000
- RM2,001 - RM2,500       Lebih dari RM2,500
9. Apakah jawatan anda? (Anda boleh tanda lebih dari satu kotak)
- Pekerja am       Pekerja barisan hadapan
- Pekerja perkeranian/pejabat       Pengurus lini/penyelia
- Pekerja profesional (contoh: arkitek, jurutera, doktor)       Pengurus pertengahan
- Pengurus atasan
10. Sila nyatakan kelayakan **tertinggi** anda
- Darjah Enam       STPM/Diploma atau yang setaraf dengannya
- SRP/LCE       Ijazah Pertama atau yang setaraf dengannya
- SPM/MCE       PhD/Ijazah Kedua atau yang setaraf dengannya
11. Sila nyatakan kumpulan umur anda
- 18-20 tahun       21-30 tahun       31-40 tahun
- 41-50 tahun       51-60 tahun       Lebih 60 tahun
12. Jantina
- Lelaki       Perempuan
13. Status perkahwinan       Bujang       Berkahwin       Bercerai/Janda/Duda
16. Apakah kumpulan etnik anda?
- Melayu       Cina       India       Lain-lain (sila nyatakan)
- \_\_\_\_\_

Jika anda ingin menyertai cabutan bertuah kajiselidik ini, sila tulis nama penuh dan nombor telefon anda. Anda berpeluang untuk memenangi satu daripada tiga hadiah yang bernilai RM100.

Nama penuh (Sila guna huruf besar): \_\_\_\_\_

Nombor telefon: \_\_\_\_\_

Sila nyatakan waktu yang sesuai untuk dihubungi: Siang: \_\_\_\_\_ Malam: \_\_\_\_\_

**Sila kembalikan borang soalselidik yang telah lengkap dijawab ke dalam sampul surat yang disediakan kepada:  
Jabatan Sumber Manusia / Jabatan Khidmat Pengurusan di autoriti anda.**

*Segala kerjasama yang diberikan adalah sangat dihargai dan diucapkan ribuan terima kasih.*

## Appendix 5.2 (a) Copy of access letter in English

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May 26<sup>th</sup> 2004

Yang Berhormat Dato' Hj Abdul Karim Munisar  
President of Majlis Perbandaran Petaling Jaya  
Majlis Perbandaran Petaling Jaya  
Jln Yong Shook Lin  
46675 PETALING JAYA, Selangor Darul Ehsan

### Re: 2004 Malaysia Local Government Workplace Survey

Dear Yang Berhormat Dato'

With reference to the above matter, I would like to seek your support and permission to conduct a staff survey in your authority during June-August 2004. As a doctoral student of Cardiff University, United Kingdom, sponsored by Majlis Amanah Rakyat (MARA), I have chosen Malaysia as my research setting. Due to rapid development of Selangor Darul Ehsan, I am very much interested to base my study at the Local Government Department, where the managers and staff will be my potential respondents. Therefore, your permission to allow me to conduct the survey is vital for this research to proceed.

Principally, the aim of my study is to better understand the working environment in Malaysia local government and the way this affects employee's own experiences while at work. This study is purely for my PhD research and all information given will be treated in **strict confidence**. I anticipate the survey questionnaire will take employees responses no longer than 15 minutes to complete (Please find enclosed a copy of the proposed questionnaire).

I should be grateful to see you in order to explain my approach to questionnaire distribution in more detail. I shall therefore contact you by phone to make an appointment in the very near future. Your cooperation and due consideration in this matter is highly appreciated. Should you have further queries, I can be reached by phone (012-9144792) or by email (emma\_rosmah@yahoo.co.uk).

Thank you very much.

Yours sincerely

Rosmah Mohamed  
PhD Student

Dr Julian Gould-Williams  
PhD Supervisor

Please address reply to:  
8, Jalan 4, Taman Seri Indah,  
45600 BATANG BERJUNTAI, Selangor Darul Ehsan



## Appendix 5.2 (b) Copy of access letter in Malay

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26hb Mei 2004

Yang Berhormat Dato' Hj Abdul Karim Munisar  
Yang Dipertua Majlis Perbandaran Petaling Jaya  
Majlis Perbandaran Petaling Jaya  
Jln Yong Shook Lin  
46675 PETALING JAYA, Selangor Darul Ehsan

### Per: Kajiselidik Tempat Bekerja Kerajaan Tempatan Malaysia 2004

Yang Berhormat Dato' Hj Abdul Karim Munisar,

Merujuk perkara di atas, saya ingin memohon sokongan dan kebenaran daripada pihak tuan untuk menjalankan kajiselidik pekerja di autoriti tuan sekitar bulan Jun-Ogos 2004. Sebagai seorang pelajar falsafah kedoktoran dari University Cardiff, United Kingdom, tajaan Majlis Amanah Rakyat (MARA), saya telah memilih Malaysia sebagai konteks penyelidikan saya. Memandangkan pembangunan yang pesat di Selangor Darul Ehsan, saya sangat berminat untuk menjadikan Kerajaan Tempatan Selangor sebagai asas penyelidikan saya, di mana pengurus dan pekerja akan menjadi sasaran responden. Oleh yang demikian, persetujuan dari pihak tuan adalah sangat penting untuk saya teruskan penyelidikan ini.

Pada asasnya, tujuan kajiselidik ini ialah untuk lebih memahami persekitaran bekerja di kerajaan tempatan Malaysia dan bagaimana persekitaran ini memberi kesan kepada pengalaman bekerja pekerja. Kajiselidik ini adalah semata-mata untuk tujuan penyelidikan Phd saya dan segala maklumat yang diberi adalah **rahsia dan sulit**. Saya menjangkakan bahawa borang soalselidik ini boleh dilengkapkan tidak lebih daripada 15 minit (Sila rujuk cadangan borang soalselidik seperti yang dilampirkan).

Saya sangat berharap agar dapat berjumpa dengan pihak tuan untuk menerangkan mengenai kaedah pengedaran borang soalselidik. Saya akan menghubungi pihak tuan melalui telefon untuk membuat temujanji dalam masa terdekat ini. Segala kerjasama dan perhatian yang diberi adalah sangat dihargai. Sekiranya pihak tuan ingin maklumat lanjut, sila hubungi saya di 012-9144792, atau emel: emma\_rosmah@yahoo.co.uk.

Sekian. Terima Kasih.

Yang benar

Rosmah Mohamed  
Pelajar Ph.D.

Dr Julian Gould-Williams  
Penyelia Ph.D.

Alamat rumah:  
8, Jalan 4, Trmn Seri Indah  
45600 BATANG BERJUNTAI, Selangor Darul Ehsan

## Appendix 5.3 (a) Copy of covering letter in English

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### The 2004 Malaysia Local Government Workplace Survey

# Employee Questionnaire

This is a national survey of people working in local government. The aim is to better understand the working environment in local government and the way this affects your own experiences while at work.

There are no right or wrong answers to the questions, you simply need to tick the responses closest to your views.

The final section of the questionnaire asks for personal details needed to analyse responses. **All information will be treated in strict confidence. Completed questionnaires or individual views will not be closed to anyone in your authority or elsewhere.**

The questionnaire should take no more than 15 minutes to complete either at work or at home. I would appreciate it if you could return your completed questionnaire within the next 2 weeks.

***In appreciation for your help, everyone who returns a completed questionnaire will be entered into a prize draw to win one of three MYR100.00 prizes.***

If you need any help or want to know more about this survey, please contact:

Rosmah Mohamed  
Cardiff Business School, Cardiff University  
Colum Drive Cardiff CF10 3EU Wales U.K./  
8 Jln 4 Tmn Seri Indah 45600 Btg Berjantai  
Selangor, Malaysia  
emma\_rosmah@yahoo.co.uk @H/P: 016-3678964

~ Thank You ~

## Appendix 5.3 (b) Copy of covering letter in Malay



### Kajiselidik Tempat Bekerja Kerajaan Tempatan Malaysia 2004

## Borang Soalselidik Pekerja

Ini ialah kajiselidik bagi individu yang sedang berkhidmat dengan kerajaan tempatan Malaysia. Kajiselidik ini bertujuan untuk lebih memahami persekitaran bekerja di kerajaan tempatan Malaysia dan bagaimana persekitaran ini mempengaruhi pengalaman bekerja anda.

Tiada jawapan betul atau salah bagi semua soalan. Anda hanya perlu memberi jawapan yang paling tepat dengan pandangan anda, dengan menanda  pada kotak yang disediakan.

Bahagian terakhir soalselidik ini adalah mengenai latarbelakang diri anda. **Semua maklumat yang diberi akan disimpan oleh penyelidik sebagai MAKLUMATSULIT. Borang soalselidik yang telah lengkap diisi tidak akan disebar kepada mana-mana pihak samada di dalam atau di luar organisasi anda.**

Borang soalselidik ini seharusnya mengambil masa tidak lebih daripada 15 minit dan anda boleh melengkapkannya samada di tempat kerja atau di rumah. Penyelidik sangat menghargai sekiranya anda dapat memulangkan borang soalselidik yang telah lengkap diisi dalam masa 2 minggu akan datang.

**Bagi menghargai kerjasama anda, setiap responden yang memulangkan borang soalselidik yang lengkap akan berpeluang untuk memenangi satu daripada tiga hadiah cabutan bertuah yang bernilai RM100 setiap satu.**

Sekiranya anda ingin maklumat lanjut mengenai kajiselidik ini, sila hubungi:

Rosmah Mohamed  
Cardiff Business School, Cardiff University  
Colum Drive Cardiff CF10 3EU Wales U.K./  
8 Jln 4 Tmn Seri Indah 45600 Btg Berjuntai  
Selangor, Malaysia  
emma\_rosmah@yahoo.co.uk @H/P: 012 9144792

~ Terima Kasih ~

