

**THE EFFECTS OF ORGANIZATIONAL EFFORTS ON PRODUCTIVITY
PERFORMANCE IN THE GOVERNMENT SERVICE IN PENANG:
MODERATED BY THE SERVICE CHARACTERISTICS**

By

ROSIDAH BT RAMLI

**Research report in partial fulfillment of the requirements for the degree of Master
of Business Administration**

2005

ACKNOWLEDGEMENT

First and foremost, I wish to thank all the respondents of the survey who have taken their time to participate in this study. They have made the study possible. Special appreciation goes to those who have helped me in the distribution and collection of the survey.

I wish to extend my sincere and heartfelt appreciation to Dr. Suhaiza Hanim bt Mohd Zailani and Dr Nabsiah bt Abd. Wahid for their dedication and wonderful support in supervising this research. Without their guidance and advice, this research would not have been possible. Many thanks to my friends Faiz, Suhaida and Suriati whom I have learned a lot from and my life has been truly enriched and my wisdom has been broadened.

Last but not least, my deepest gratitude to my husband and children; Aiman, Anas, Fatin and Irfan who have given me the moral support throughout the course of the study.

TABLE OF CONTENTS

	Page
ACKNOWLEDGEMENT	ii
TABLE OF CONTENTS	iii
LIST OF FIGURES	vii
LIST OF TABLES	viii
ABSTRAK	ix
ABSTRACT	x
Chapter 1 INTRODUCTION	
1.1 Introduction	1
1.2 Background of study	2
1.3 Problem Statement	4
1.4 Research Objectives	5
1.5 Research Questions	5
1.6 Significance of Present Study	6
1.7 Definition of the Terms	7
1.8 Organizations of the Chapters	9
Chapter 2 LITERATURE REVIEW	
2.1 Introduction	10
2.2 Organizational Efforts	10
2.2.1 Leadership	11

2.2.2	Reward and Recognition	11
2.2.3	Communication	12
2.2.4	Participation	13
2.2.5	Decision Making	13
2.2.6	Training	14
2.2.7	Technology	14
2.3	Productivity Performance	15
2.3.1.	Enhanced Commitment	16
2.3.2.	Enhanced Job Satisfaction	17
2.3.3.	Reduced absenteeism	19
2.3.4.	Reduced backlog	19
2.4.	Characteristic of Services	20
2.5.	Theoretical Framework	24
2.6	Hypotheses	25
2.7.	Summary	25

Chapter 3 METHODOLOGY

3.1	Introduction	27
3.2	Population	27
3.3	Sample	28
3.4	Research Design	28
3.5	Data Collection Methods	28
3.6	Variables and Measurement	29

3.6.1	Independent Variables	30
3.6.2	Dependent Variables	30
3.6.3	Moderator Variables	31
3.6.4	Demographic Variables	31
3.7	Data Analysis Method	31
3.7.1	Factor Analysis	31
3.7.2	Descriptive Statistic and Intercorrelation	32
3.7.3	Multiple Regression	33
3.8	Summary	33
Chapter 4	DATA ANALYSIS AND FINDINGS	
4.1	Introduction	34
4.2	Descriptive Profile of Respondents	34
4.3	Factor Analysis	36
4.4.	Reliability Analysis	39
4.5.	Descriptive Analysis	39
4.6.	Pearson Correlation	40
4.7.	Multiple Regression	41
Chapter 5	DISCUSSION AND CONCLUSION	
5.1	Introduction	47
5.2	Discussion of the findings	47
5.3	Implications of the study	50

5.4	Limitations of the study	51
5.5	Recommendation for Future Research	52

REFERENCES

APPENDICES

Appendix A :	Questionnaire
Appendix B:	Frequencies
Appendix C:	Factor Analysis
Appendix D :	Reliability Analysis
Appendix E :	Descriptive Analysis
Appendix F :	Correlations Analysis
Appendix G :	Multiple Regression Analysis

LIST OF FIGURES

2.1.	Theoretical framework	24
------	-----------------------	----

LIST OF TABLES

	Page
Table 4.1. Profile of Respondents	34
Table 4.2. Profile of Respondents	35
Table 4.3. Profile of Respondents	36
Table 4.4. Factors Analysis for Organizational Efforts and Productivity Performance	37
Table 4.5. Descriptive of Composite Variables	40
Table 4.6. Intercorrelation between the Main Variables	41
Table 4.7. Multiple Regression Results; Organization Efforts and Productivity Performance	42
Table 4.8. Multiple Regression Results; Service Characteristic and Productivity Performance	43
Table 4.9. Multiple Regression Results; Service Characteristic and Independents Variables	44
Table 4.10. Multiple Regression Results; Service Characteristic and Independents Variables	45
Table 4.11. Summary of Analysis	46

ABSTRAK

Kajian ini adalah bertujuan untuk mengetahui dengan lebih mendalam keberkesanan usaha organisasi ke atas prestasi produktiviti, juga untuk menyelidiki hubungan kecekapan ciri-ciri perkhidmatan sebagai pengantara yang akan mempengaruhi usaha organisasi dan prestasi produktiviti. Secara asasnya, kajian ini dilaksanakan di Jabatan Kerajaan di Pulau Pinang kerana Malaysia sedang dalam era globalisasi. Kajian ini telah dilaksanakan dengan mengagihkannya kepada 135 orang kakitangan kerajaan dengan sasaran kakitangan berjawatan Pengarah hingga ke jawatan pemandu. Keputusan kajian mendapati usaha-usaha organisasi (teknologi, komunikasi, anugerah dan pengiktirafan dan penglibatan) mempunyai kaitan positif terhadap prestasi produktiviti. Walau bagaimanapun, keputusan kajian mendapati ciri-ciri perkhidmatan tidak mempengaruhi ke atas usaha-usaha organisasi dan prestasi produktiviti. Oleh itu, kajian ini akan menjana ke arah usaha organisasi untuk meningkatkan prestasi produktiviti.

ABSTRACT

The study sought to determine the effects of organizational efforts on productivity performance and to investigate whether service characteristic moderates the relationship between these organizational efforts and productivity performance. Basically, the study was done in government service department in Penang as Malaysia is now in the era of globalization. This study was conducted by distributing questionnaire to 135 employees of federal government in Penang. The target respondents were ranked from Director to Driver. Data collected were analyzed using Multiple Regression. The findings revealed that organizational efforts (technology, communication, reward and recognition and participation) had significant and positive effect on productivity performance. However, service characteristic was found has no significant influences on organizational effort and productivity performance. Hence, this study can stimulate the organization in improving the productivity performance of the employees.

CHAPTER 1

INTRODUCTION

1.1 Introduction

The effective performance of public sector is crucial to most developing countries as the employees play a dominant role in the organization. However, the public sectors are often viewed as inefficient and inflexible with acute problems of management development. They are confronted with adequate structures, characteristically with too few managers, and lack of coherent personnel development policy. Too often it has been assumed that government employees can pick up the task based on the job basis but it is increasingly recognized that there is a need for specific training to facilitate the acquisition of the skills and attitudes for their increased effectiveness.

Furthermore, administrative improvements undertaken by the Malaysia Civil Service currently known as Administrative and Diplomatic Service (ADS) has been continuously pursued since Independence. This group is the non-specialized core of officials forming the “policy advisors and executives”. According to Razali (1999) they are transferable to agencies of the Federal government in Malaysia. During his or her career, an executive of this non-specialized core may occupy posts in district, state and federal ministries, federal departments, statutory bodies, universities and some positions overseas. The organizational efforts such as providing more efficient, speedy and effective delivery of service was done by Malaysian Civil Service or Administrative and Diplomatic Service. A significant change in the system of public administration in Malaysia was the introduction of various policies, programmes and activities during the 1980s. Among these were the Civil Service Core Principles

which describe the rules and regulation that government servant has to follow, the Civil Service Code of Ethics which comprises of good values, the Clean, Efficient and Trustworthy concept which emphasizes on the effectiveness and transparency of government servant, the inculcation of Islamic Values in Administration, Leadership by Example, name tags and the clock in system.

Policies and programmes such as Look East Policy, the Privatization Policy, the Heavy Industries Policy, the National Agricultural Policy and the concept of Malaysia Incorporated, represented new approaches in development strategies. These policies were implemented to ensure efficient service in public service department and to satisfy customer's need. During 1990s, Malaysian Civil Service has taken serious efforts to improve the public service by emphasizing the importance of quality and productivity.

1.2 Background of the study

Recently our charismatic leader, Datuk Seri Abdullah Ahmad Badawi want a prompt, huge revitalization in the public service of Malaysia. This reinventing should be started with the forming of "decision making centre" in each ministry and department (Berita Harian, 8 February 2005). The purpose of this centre is to reduce "red tape" and any restrictions in order to make prompt decisions to enhance the effectiveness of public service. Beside that, it will ensure that the planning of development is smooth. Therefore, all heads of departments should discuss with their subordinates to formulate certain guidelines related to this matter without waiting for instructions from Chief Secretary to the Government Tan Sri Samsudin Osman. As such, the head of each department needs to submit his suggestions to Malaysian Administration Modernisation and Management Planning Unit (**MAMPU**).

This centre is not only able to make a quick decision without instruction from head of departments, director or deputy director of department, but also expose and train potential lower level officers to be promoted in the future. If the lower level officers are unable to make decisions, they are not qualified for promotion. In other words, the effectiveness of public service be achieved through. However, the empowerment should be done in a proper way and follows the regulation. Even though, the lower level officers have a role as decision makers, the top level officers should monitor them. This monitoring system is to ensure lower level officers know how to manage their time and make quality decisions. Therefore, the lower level officers must realize that they still have to refer to their top-level officers. Through this process the relationship between two levels will be fostered. Thus, the lower level officers have the opportunity to prove that they have capabilities to make decisions.

According to the Chief Secretary to the Government Tan Sri Samsudin Osman the “decision making centre” will be organized in every ministry, department and public agency which received many complaints from the public (Berita Harian, 8 February 2005). The complaints such as delays in license application process, issuing identity cards, passports and other approvals can be empowered to lower level officers. Normally, these problems will exist when the top-level officers take leave and it becomes the main reason for delaying the application process.

Rules and regulations for public service was existed since independence. The system was created for public to follow when dealing with government department. Sometimes, rules and regulations can cause difficulty for the public when dealing with the application. However, according to Datuk Dr. Sulaiman Mahbob, President

of Institute Malaysia Integrity insisted that three important terms should be implemented by the public service department (Utusan Malaysia, 28 January 2005). Firstly, the government department should remove the existing regulations if it is not appropriated. Secondly, transparency is important so that we need not have to refer to a committee which will involve various departments. This committee is only sought when important decisions in strategic fields are to be made. Thirdly, the employees of public sector should practice good values by acquiring knowledge and skills culture, efficiency and honesty in daily working environment.

1.3 Problem Statement

The quest for productivity and excellence is the greatest concern in the present business world. There seems to be lack of empirical knowledge on the subject of organizational efforts and productivity performance in government service in Malaysia context.

The complaints made by customers on public services show that the public service needs certain guideline to enhance the service effectiveness and quality performance amongst their staffs. Public Complaint Bureau (“Biro Pengaduan Awam”) reported that about 2,769 complaints were made on public services during 2001. Out of that, 1,744 complaints were on federal government and the rest on the state government agencies (Berita Harian, 27 February 2003).

Beside that, Public Complaints Bureau also received complaints on the frontliners that are not courteous to the public, delaying in processing applications and technical errors such as mistakes in filling the forms and giving wrong informations (Berita Harian, 27 February 2003). Furthermore, the rules and regulations that are

inappropriate in government sectors cause the bureaucratic problems. In reality, unsuitable rules and regulations no longer required yet it is still practicing in the government sectors (Datuk Dr Sulaiman Mahbob, 2005). Therefore, this study is to find out how much organizational efforts can contribute in achieving productivity performance as each and every organization tries to find the solution to enable it to stay competitive in the market.

1.4 Research Objectives

The purpose of this study is to provide information towards the influences of organizational efforts on productivity performance in the government services in Malaysia. Accordingly, this study consists of the following objectives:

1. to examine the organizational efforts have any influence or significant relationship with productivity performance in service organizations,
2. to investigate service characteristic moderates the relationship between organizational efforts and productivity performance.

1.5 Research Questions

This study therefore was mainly motivated by the quest to answer the following questions:-

1. Can organizational efforts such as leadership, reward/recognition communication, participation, decision making, training and technology influence the productivity performance in government organizations?

2. Does the service characteristics have any relationship between organizational efforts and productivity performance?

1.6 Significance of Present Study

The present study is to examine the relationship of organizational efforts using the variables of leadership, reward/recognition, communication, participation, decision making, training and technology on the productivity performance of the government service in Penang.

As mentioned in the Development Administration Circular No. 6 of 1991” Guidelines On Productivity Improvement In The Public Service, all government sectors are required to constantly improve productivity at all levels of their agencies. This means to say that if the productivity performance of the government service is harnessed, it certainly will improve the service quality to the public. In addition, with the increased productivity, government department will be able to optimise resource utilization as well as operational cost.

Furthermore, the importance of productivity management in the service industries is widely accepted in the literature(e.g. Gummesson, 1993, Van Biema & Greenwald, 1997; Wilson, 1988).

As stated by Dr Awang bin Musa, Director of Service Research National Productivity Corporation, the organizations have to identify their core business activities. They need to equip and enrich their employees with relevant skills, knowledge, talent, attitude and motivation. To ensure and sustain competency

development plan, organizations also provide employees with career and reward plans because as employees become more competent, their productivity and contributions increased and therefore workers are looking forward for their organizational career opportunities.

Besides, literature on the organization especially those related to the public service (government department) is lacking. Only a few studies were conducted in this topic. For example, there are many studies on relationship between service quality and productivity/efficiency, between service quality and image (e.g. Gronroos, 2000; Chapman et al 1997; Gummesson, 1993; Asser et al, 1992)(Zineldin & Bredenlow, 2001) and association between quality and productivity performance in service organization (e.g. Kontoghiorghes, 2003). While Rauzah (2001) the Consultant from National Productivity Organization studied on the productivity measurement in the service industry. Thus, the present study intends to explore on different aspect of organizational efforts toward productivity performance and to find out whether service characteristic moderates the relationship between organizational efforts and productivity performance.

Lastly, the results of the study will also provide the organization ideas and practical suggestions that will improve the performance of government departments in Malaysia towards achieving all the goals in Vision 2020.

1.7 Definitions of the Terms

Organizational dimension

A cluster of related organization in continuous improvement of practices, quality management, the learning culture of the organization, management practices, employee involvement, organizational structure, reward systems, job design, innovation practices, technology management, knowledge management and teamwork.

Quality indicators

Quality indicators are external customer satisfaction, satisfaction with quality of work output by peers, consistent and accurate delivery of work output by peers, consistent and complete delivery of work output by peers, internal process satisfaction, the extent to which all products or services, the extent to which employees react quickly to resolve unexpected problems and the extent to which no further changes or rework is needed after the final products or services are provided.

Productivity

Productivity means the extent to which the amount of work output by peers exceeds expectations. In other words, it means products or services are produced in a cost-effective manner and the extent to which inputs are received from others in a timely fashion.

Public Sector

Public sector is a general term used to refer to all agencies that undertake activities and responsibilities of the government or are financed by the government. It encompasses the public service as well as special institutions paid for by public money.

1.8. Organization of the Chapters

Chapter 1 renders an overview of the present study. The purpose and the research objectives have been put forth to steer the direction of the present study. Besides, this chapter also tries to show the importance of the present study in providing readers the rationale in conducting it. In Chapter 2, literature review on the dependent variables and independent variables are presented. It forms the backbone of the present study and helps to develop the theoretical framework. Chapter 3 illustrates the methodology applied in the present study which encompasses the sample collected, measurement, and the statistical analyses. Next, Chapter 4 presents the results of the statistical analysis for the data collected and the findings encapsulated from the analyses. Finally, Chapter 5 provides discussion and implication of the present study's findings. It also highlights the limitations of the study and proposes some suggestions for future research. Lastly, conclusions will be penned to wrap up this research.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

This chapter reviews the relevant literature that forms the basis of the present study. It constitutes a review of the past literature on the variables of organizational efforts such as leadership characteristic, reward and recognition, communication, participation, training and technology; the variables of productivity performance such as enhance commitment, enhance job satisfaction, reduce absenteeism and reduce backlog and lastly the service characteristic as moderating variables. Next, this chapter will portray the theoretical framework of the present study and the formulation of hypotheses. Finally, it provides a summary of the chapter discussion and an overview of the subsequent chapter.

2.2. Organizational Efforts

Growth in service sector can be seen across the world in nearly developing and developed countries. One of the main reasons for the explosive growth of industrial services is globalization, which cause entire economies to restructure toward higher levels of specialization.

Lovelock et. al. (2001) pointed out that the service sector has become the most important source of employment and national income in advanced economies. Therefore, efficiency in service industry has been predicted to be among the major drivers of future growth. Many common elements have been observed as

organizational variables that may contribute to organizational efforts. The organizational efforts that to be studied are such as leadership, reward/recognition, communication, participation, decision making, training and technology.

2.2.1. Leadership

Leadership is a process of influencing others to understand and agree about what needs to be done and how it can be done effectively and the process of facilitating individual and collective efforts to accomplish shared objectives (Yukl, 2002) . Effective leadership practices are the key practices and actions of a high performing leader in a workgroup that lead to leadership effectiveness (Beh et al, 2003). Also defined by Liang et. al. (2001), leadership is a focus of group processes, the art of inducing compliance , the exercise of influence, an act of behaviour, a persuasion, a power relation, an instrument of goal achievement , an emerging effect of interaction, a differentiated role and the initiation of structure. Curry (2002) stated that leaders come and go in organizations and with them they bring and take away parts of the organizational identity.

Corpuz and Birk (1998) supported this view where they insist that leadership is a key component in determining the success of quality efforts in the public service. Leadership is responsible for providing the overall vision- the direction and focus- for the quality implementation.

In sum, these literatures on leadership highlight on the leadership function in the organization. Therefore, leadership plays a major role in the organization efforts to improve on productivity performance.

2.2.2 Reward/Recognition

Reward and recognition are consistently acknowledged by the organizations and managers as an important elements in motivating individual employees. The expectancy theory states that individual based decisions about their behaviors on their expectation that one or another alternate behavior is more likely to lead to needed or desired outcome.

As mentioned in Ramayah and Nasurdin (2001), two important groups of work rewards that have been identified include task, and organizational rewards (Katz & Van Maanan, 1977; Mottaz, 1988) whereby the task reward associates with doing the job and organizational rewards refer to reward that provided by the organization.

As stated by Cacioppe (1999), he mentioned that public sector organizations often feel constrained in their ability to reward their employees and have to be careful not to be seen using public money in ways that could be seen as irresponsible. Nevertheless, there are a lot of strategies that the organization can give to the employees such as employees of the month/year, performance appraisal rating, study assistance, public recognitions and so on.

2.2.3. Communication

Kang et al. (2005) defined communication as broadly as formal as well as informal sharing of meaningful and timely information between organizational members. It has been operationalized as the frequency of business contact (Bucklin & Segupta, 1993) and exchange of informations (Lusch & Brown, 1996).

Cited by Jirk (1993) in Henderson (2003), communication can prepare people for the positive and negative effects of change, increase other's understanding of, and commitment to, change (Beckard & Pritchard, 1992, Morgan 1988), or it can in fact be the context in which change actually occurs (April, 1999, Ford & Ford, 1995).

Managing people successfully requires communication (Kitchen & Daly, 2002) and the quality of communication between people within an organisation is “crucial variables determining organisational success”(Hargie & Tourish, 1993).

By and large, the efforts done by the organization to improve the communication between the employees is actually to improve the level of productivity of that organization.

2.2.4. Participation

As mentioned by Mat Zin (1999), participation has been conceptualized as an organizational intervention, a strategy or social technology aimed at bringing about small or large system of change (Greenberg, 1975; Mosher, 1982). It has been recognized as both a social phenomenon resulting in improved employee attitude and job related behavior.

Participation in government service is very important towards improving employees' morale and commitment to the organization. Another factor that has been studied by the research contributes to the lack of participation from lower level employees in the decision making process is the system of Malaysia government itself, which inherited from the British style of administrative system (Mat Zin, 1999). Scott cited in Mat Zin (1999) found that managerial style in Malaysian Civil Servant is tradition-oriented and they strongly depended on the centralization of authority.

In summary, under the new wave of change, public organization in Malaysia has to accept the idea that workforce commitment is a vital ingredient for productivity and participative management.

2.2.5. Decision making

Total Quality Management practices by the public sector in Malaysia involved the decision making by the employees through empowerment and teamwork (Karia & Ahmad, 2000). These concept is involved with the ideas such as in the empowered work team, employees suggestion programme, employees' participation in decision making, problem solving and so on.

As such, employees at all levels want to be included in decisions that affect their work and role in the organization (Vroom & Jago, 1988; Hall, 1977) as cited in Mat Zin (1999).

2.2.6. Training

Employee training and development continues to be an essential element for organizations striving for sustainable competitive advantage and survival in the twenty-first century (Rohzan & Poon, 2000).

A study by Zakaria and Rozhan (1993), showed that only 44 percent of the responding organizations conducted formal training, 38 percent for informal training.

Ong et. al. (2000) indicated that training should be implemented for service quality of the employees. Beside that, the Malaysian government has applied training need assesment which is an effort to analyse and diagnose the person, task, and organisation to determine whether or not training is required (Goldstein, 1993).

2.2.7. Technology

Information technology plays a vital role in the business success of the organization. The increasing demands against the limited supply have forced organisation to

capitalise on small information system workforce for maximum organizational performance (Duxbury, Higgins & Johnson, 1999).

In line with the above literatures, it is found that all variables of organizational efforts are important to measure the productivity performance.

2.3. Productivity and quality

Nowadays, productivity and service quality in a service environment are emphasized on meeting customer requirements. Kantoghiorghes (2003) stated that organizations that have succeeded in improving productivity and quality have typically used approaches such as total quality management (TQM) and “kaizen” or continuous improvement. According to Fisher (1992), TQM is the management philosophy that seeks continuous improvement in the quality of performance of all the process, products and services of an organization. The understanding of variation, role of customer, the importance of measurement, and the involvement of employees at levels of an organization in pursuit of such an improvement (Kantoghiorghes, 2003). The concept of “kaizen” is related to continuous incremental improvement of quality and productivity processes to help meet organizational goals (Mondan, Shibakawa, Takayanagi & Nagao, 1985; Imai, 1996). Kantoghiorghes (2003) also emphasizes that “kaizen” incorporates employees’ ideas and participation to help accomplish these incremental improvements. The author also states that an important part of “kaizen” is the improvement of workflow to facilitate a smooth production process that is productive and promotes quality products.

Despite the association between terms mentioned above, there has been an empirical research to examine commonality between quality and productivity. According to Velloci (2002), quality is focused in examining the factors that may affect quality and productivity and process reduction variation (Hare, 2002), technology upgrades, investments in new equipment, and human resources (Mohanty, 1998) are also affecting quality and productivity.

Many organizations realize that it is important to understand customers' needs. The service provider should have ability to make the customers' experience positive or negative based on their interaction. Harris (2000) asserts that customer service is anything we do for the customer that enhances the customer's experience. Customer's service is a relationship with people who are essential to everything you do; meeting the needs and expectations of the customer as defined by the customer; used to create a mutually beneficial relationship between itself and those it serves and proactive attitude that can be summed up as "I Care and I Can Do" (Zemke & Woods, 1998). The need of today's organizations is to make them most efficient in term of productivity and quality practices. Coates (1986) cited in Ramirez (2004) stated that below are variables that has been identified to be related to the productivity performance.

2.3.1. Enhanced Commitment

As cited by Hung et al (2004), organizational commitment as an affective component has been considered as major factor in understanding employees' work related behavior in organization. It has been by far found to be strongest predictor of

turnover intention. (Khatri, Fern & Budhawar 2001; Porter, Steers, Mowday & Boulian 1974)

According to Mowday et. al. (1979), organizational commitment entails three factors (1) strong belief in an acceptance of the organization's goals and values, (2) a willingness to exert considerable effort on behalf of the organization, and (3) a strong desire to maintain membership in the organization.

The advantages of organizational commitment have also been proven by previous studies. Morris and Sherman (1981) conducted a survey and found that employees that are loyal to the organisation generally show lower level of absenteeism and tardiness. On the other hand, Bateman and Strasser (1984) concluded that employees who have high level of organisational commitment have a higher performance and productivity. In fact, organisational commitment forms have been shown to predict important outcomes such as turnover intentions, performance, prosocial organization behaviors, absenteeism and tardiness (Becker, 1992; Blau, 1996; Wienar & Vardi, 1980).

Meyer and Allen's three component model of commitment appears to be emerging as the predominant conceptualization organizational commitment among current researches. For Meyer and Allen (1991), the commitment construct includes elements of desire, need, and obligation which are represented in the three-components of affective, continuance, and normative organizational commitment.

2.3.2. Enhanced Job Satisfaction

Generally, job satisfaction has been defined as a pleasurable emotional state resulting from the appraisal of one's job or job experiences (Locke,

1976). This positive feeling results from the perception of one's job as fulfilling or allowing the fulfilment of one's important job values, provided these values are compatible with needs (Locke, 1976). Given that values refer to what one desires or seeks to attain (Locke, 1976), job satisfaction can be considered as reflecting a person's value judgement regarding work-related rewards.

According to Weiss and Cropanzano (1996) cited in Bajpai and Srivastava (2000), job satisfaction represents a person's evaluation of one's job and work context. This definition is still being debated. It captures the most popular view that job satisfaction is an evaluation and represents both belief and feelings. There are many factors affecting employees' feeling for the job satisfaction. Porter and Lawler (1968) divide the factors affecting job satisfaction into the intrinsic satisfactory factors related to work itself and the extrinsic satisfactory factors not directly related to work itself. Seashore and Taber (1975) consider that personal attributes and environment are the major factors affecting job satisfaction.

Glisson and Durick (1988) indicate that factors affecting job satisfaction are the worker himself/herself, work and organizational characteristic. Most studies have indicated that job satisfaction has positive effect on employees' working performance and organizational commitment, and negative effect on employee absenteeism and turnover (Menninger & Levinson, 1956; Rabinowitz & Hall, 1977; Poulin, 1994; Reiner & Zhao, 1999; Clugston, 2000; Mclean & Andrew, 2000 in Glisson and Durick(1988)).

In the study done by the Ellickson (2002) stated that departmental pride clearly emerged as the most powerful determinant of variation in overall job satisfaction among municipal government employees. Consistent with the previous research in both public and private sectors, job satisfaction of municipal government employees is significantly influenced by the perceptions of the employees' satisfaction with promotional opportunities, pay, and fringe benefits.

Saleh (1981) as cited in Bajpai and Srivastava (2000) stated that job satisfaction is a feeling which is a function of the perceived relationship between all that one wants from his job/life and all that one perceives as offering or entailing. The emphasis here is on all that one wants, whether it is important for self-definition or not. Luthans (1989) states that job satisfaction is a pleasurable or positive emotional state resulting from the appraisal of one's job, or job experience, and is the result of the employee's perception of how well the job provides those things which are viewed as important.

As cited by Locke (1976) in Ramayah and Mohd Nasurdin (2003) stated that job satisfaction is a collection of attitudes about specific facets of the job. Employees can be satisfied with some elements of the job while being simultaneously dissatisfied with others. Different types of satisfaction will lead to different intentions and

behavior. An employee might complain to the supervisor when he or she is dissatisfied with low pay but not with co-workers dissatisfaction. Overall job satisfaction is a combination of the person's feeling towards the different facets of job satisfaction.

2.3.3. Reduced absenteeism

Absenteeism has been and continues to be, one of the major problems face by the organization. It results in production losses, increase labor cost and reduces efficiency of operations. According to Vaid (1967) the concept of absenteeism is unauthorised absences include all those cases where work is available, the worker knows about it, he fails to report for duty, and the employer has no prior information of the worker's failure. Also mentioned by Johns (1997) cited by Goldberg et. al. (2000) theory development in absenteeism literature has followed a number of general themes. One of the more common models proposes absenteeism is largely a behavioral response to dissatisfaction with some aspects of one's job.

2.3.4. Reduced Backlog

Reducing backlog is very important in improving the productivity performance of the organization. The Malaysian government is vey concerned about it and have taken into consideration the process of application of services from the public in order to avoid backlog problems. For example, the Land and Co-operative Development Ministry (News Strait Times, 17 January 2004) deployed a team of its officers to Selangor and Johor Land and Mines Departments to clear the backlog for various transactions, including 180,000 lands title which in backlog for over two years.

Beside that, the department also set up its own e-commerce service to enable the public to gain access to land information and maps from the department.

These efforts clearly show that productivity performance in any organization that deals with the public is very much affected if the problems of backlog persist. Next, the following sections will examine the independent variables of the present study. The independent variables are leadership, reward/recognition, communication, participation, decision making and training.

2.4. Characteristics of Services

There is a growing body of literature on operations management in service firms. Special characteristics of service operations are discussed in textbooks such as Murdick, Render and Russell (1990), Heskett, Sasser and Hart (1990), Chase and Aquilano (1992), and in casebooks including Sasser, Hart, and Heskett (1991). Managing quality in service businesses, although similar in spirit to that in manufacturing, is somewhat different and is relatively more challenging due to certain inherent characteristics of service operations. These include the intangibility of service outcome in some cases, and the presence and participation of customers in the creation of many services. Intangibility of outputs results in difficulties in matching demand and supply since such output can't be inventoried.

This is, however, not meant to suggest that lack of inventory is a characteristic of services. In fact, as exemplified by a restaurant, managing inventory of supplies (termed as tangible goods by Sasser, Olsen and Wycoff (1978)) can be very critical to the success of a service enterprise.

The diversity of services makes it difficult to come up with generalizations that are helpful for managers of service businesses. Lovelock (1983) proposes five

schemes for classifying services that offer insight for marketing and operations managers in different service businesses. Chase (1981) proposed a theory of the customer contact approach to services which holds that the services that entail high degree of customer contact have inherently smaller potential for efficiency due to the variability and uncertainty that customers introduce in the creation of service. Apte and Mason (1995) propose that customer contact be conceptualized in two ways: first, in terms of propinquity, or a physical presence, involving a face-to-face contact between the customer and service provider, and second, in terms of a symbolic contact where the main purpose of customer contact is to exchange the information necessary in service creation and consumption. It should be noted that a service activity, in general, requires a combination of both types of customer contact. With the progress of information technology, the symbolic portion of the contact is being increasingly automated using information technology. In many cases, information technology is also being used for redefining, or reengineering, services.

Closely related to the concept of customer contact is the service characteristics of joint production. Not only do customers have a presence during the service creation process, but they may have significant tasks to perform as well. Examples range from self service at gasoline stations and salad bars to the shared responsibility for communication in diagnostic services and tailored financial services (including tax preparation). In some cases, the customer's participation in joint production is rather passive. But in other cases, such as financial planning or education, the participation may be very active and very significant in determining the quality of service production. Indeed, education is a major service sector for which an active role of the customer is absolutely critical. In the prototypical manufacturing case, customers' roles start after production has been completed. To the extent this is not the case - for

example, custom production of manufactured goods with customer provided blueprints - the manufacturing business takes on more of the character of a service.

Many service processes must deal with inputs supplied by the customer. *DZY* cleaning services and photo finishing services are examples where there can be virtually no customer contact, and where the operations take on a "back-room" character closely resembling manufacturing. It is the customer specific inputs which distinguish such businesses from manufacturers. Among the managerial implications are that the concepts of scrap and rework take on a different character, with far greater negative implications.

As mentioned earlier, many services have outputs that are intangible and are hard to measure. For example, in services such as medical examinations or tax planning, output is quite intangible. Output of sales transactions involving manufactured goods can be metered rather easily with respect to the quantities involved. However, the delivered "quantity" of business consulting or medical services is rather more difficult to measure. In such cases, it is difficult for the buyer and the vendor to easily agree on exactly what output has been supplied. A serious confounding problem is that it is difficult to distinguish between the level of attributes of services and the quantity of services. For example, it may be hard to say whether medical advice is more correct, more thorough, more considerate of the patient or simply more.

In textbook discussions of service operations, services are often described as being complex. A part of this complexity arises from the difficulties in measurement discussed above. A second part arises from the joint production or custom character of many services, which in turn has two effects: First, the presence of the customer

means that the service process cannot be separated from service output. The obvious consequence is a much larger set of attributes for customer evaluation. Moreover, the customer brings to the process a set of expectations, capabilities, as well as material inputs that are specific to that customer. As a result, the "output" of the process as perceived by the customer may involve many customer specific attributes. Participation in the production process is in itself a complex issue with some internal costs but possibly some consumption value as well. All these threads may be very difficult to untangle. As an example, consider a class in a management course, with the students (possibly organized into groups) and instructors interacting in the course of a case discussion. It is near impossible in practice to measure the educational output received by any one student in an objective way either in terms of quantity or attribute levels.

2.5. Theoretical Framework

A theoretical framework of the present study is presented below. This theoretical framework for organization efforts identify seven variables for independent variables, dependent variables and moderating variables.

