

**THE EFFECT OF DIFFERENT GENERATIONS PSYCHOSOCIAL WORK  
CLIMATE ON THE EMPLOYEES' WORK PERFORMANCE**

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**UNIVERSITI SAINS MALAYSIA**

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**THE EFFECT OF DIFFERENT GENERATIONS PSYCHOSOCIAL WORK  
CLIMATE ON THE EMPLOYEES' WORK PERFORMANCE**

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### **DECLARATION**

I hereby declare that the project is based on my original work except for quotations and citation which have been duly acknowledged. I also declare that it has not been previously or concurrently submitted for any other degree at USM or any other institutions.

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(Signature)

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Date : 21<sup>st</sup> June 2012

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## **ABSTRACT**

### **Purpose**

The main objective of this paper is to examine the psychosocial work environment factors that influence the employee's work performance at difference generation.

### **Design / Methodology / Approach**

The exploratory research is reliance on self-reported questionnaire data, used the Job Demands-Resources Model as the theoretical framework in the area of psychosocial field and linked it to the work performance by different generations of employees as the moderating factors. Relationships among the constructs are predicted based on relevant literature, and are tested using survey results from 378 employees working in various location in Malaysia.

### **Findings**

The findings presented a unique outcome of psychosocial aspect with incorporates two kinds of work characteristics, labelled either as job demands or as job resources, in the same heuristic model triggering the dual process of motivation and strain, which able to drive the employee performance. Findings from the study suggest that high job demands may drive toward better work performance if sufficient amount of job resources is available, where individuals who facing high levels of stressors were more likely to use their resources as a coping mechanism. Generations factors may imply the different in terms of the degree of demands and resources in psychosocial perspective, which required further studies.

**Research Limitations / Implication**

The findings of the research is solely based on the self-reported questionnaire data from a limited sampling of the Malaysia workforce, and focused on two major generations in the workforce populations nowadays. It can be a basic distinction that should be made in future attempts to develop a cross-cultures, cross-countries or more demographic studies, with incorporates more indirect indicators and using larger model to determine the boundaries of generalisability.

**Originally / Value**

This study provides a fundamental in driving employees' performance through psychosocial work factors instead of the conventional reward system. This is the first study to examine the impact of generational differences in the Job Demands-Resources Model. The study outlines how the JD-R model can be applied to a wide range of occupations, and be used to improve employee performance.

**Paper Type**

Research paper

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## **LIST OF ABBREVIATIONS**

ERI	Effort – Reward Imbalance
GEN X	Generation X
GEN Y	Generation Y
HRM	Human Resources Management
JD-C	Job Demand - Control
JD-R	Job Demands – Resources
JD-RQ	Job Demands – Resources Questionnaire
KMO	Kaiser-Meyer-Olkin measure of sampling adequacy
PSC	Psychosocial Safety Climate
PWC	Psychosocial Work Climate

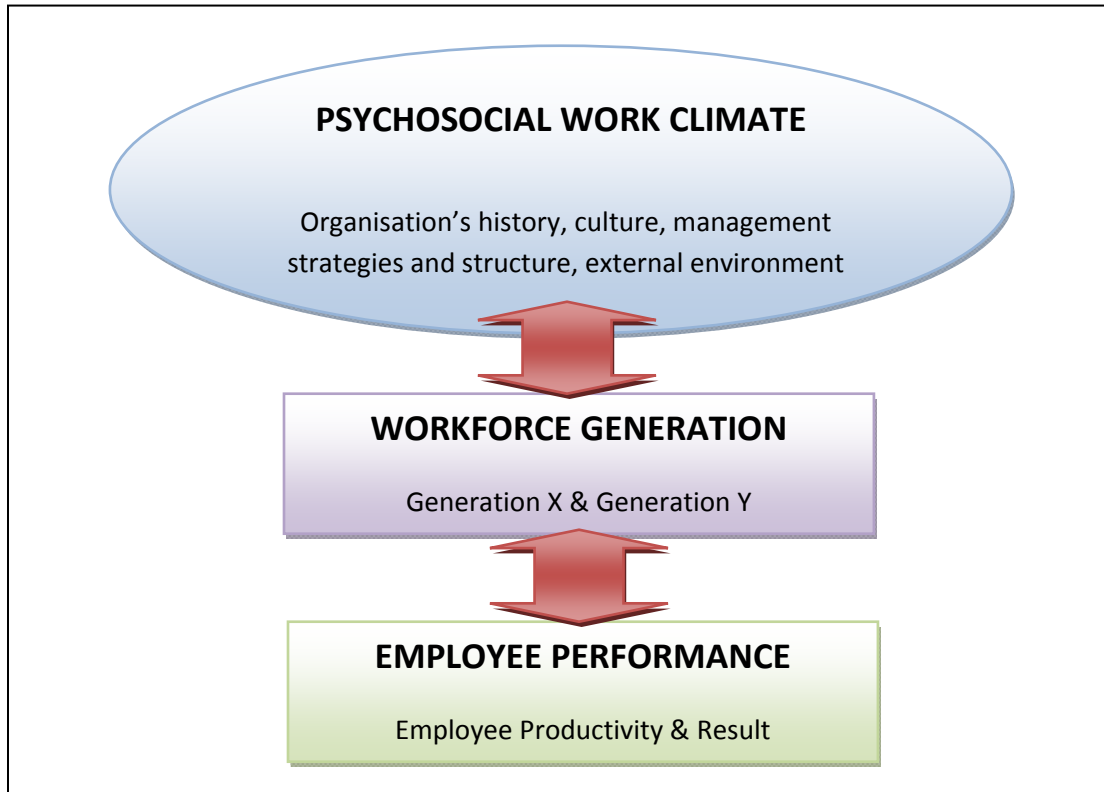
## **CHAPTER 1**

### **INTRODUCTION**

#### **1.1 Background**

The effective implementation of HRM practices in organizations is no doubt a key source of competitive advantage and has been shown to have a positive relationship with company performance (Ordóñez de Pablos and Lytras, 2008; Collins, 2007; Chew and Basu, 2005; Khandekar and Sharma, 2005). However, there is an urgent need to have new management tools to manage the performance of organisations as the old ways have lost their relevancy (Johnson and Kaplan, 1987). The effectiveness of implementing HRM practices in a company showed an impact of nearly 50 percent on a firm's performance (Osman et al., 2011), where there are other factors that may influence the work performance of an employee in workplace.

About 39 years ago, Guion (1973) suggested that the concept of corporate or work climate is one of the most important to enter the thinking of industrial / organizational psychologists in many years. Furthermore, Schneider (1975) studied employees' performance in the workplace and has concluded that work climate is an important determinant of employee performance, and that "performance equals ability and climate, which stress the display of individual differences". Indeed, work climate nowadays is more important than it was in the 1960s and 1970s, because the external and internal environments of work organisations are less stable and less predictable than before. Hence, one of the major challenges that face today's managers is to get things done in such hostile and continuously changing work teams and environments and "to create a climate in which employees volunteer their creativity and expertise" (Kim and Mauborgne, 2003).



**Figure 1.1** : The relevancy of Psychosocial Work Climate toward Employee Performance

The psychological and social conditions of the people experience in the workplace, which more often referred to as the psychosocial work climate, have become a regular component in studies of stress and occupational health, such as the studies by Johnson & Hall, 1996; Johnson & Johansson, 1991; Kasl, 1996; Theorell & Karasek, 1996, as it is perceived as a new approaches in driving the workforce from new generations. As refers to Figure 1.1, a healthy work climate and environment leads to and sustains employee motivation, high work performance, and better results to the organisation (Perry et al., 2005).

In order to become successful or even more successful, today's work organizations need to maximize the use of their employees' actual and potential skills. More than ever before, organizations in both the private and public sector are introducing new forms of work and organizational design and management, such as total quality management, lean production, and empowerment (Parker & Wall, 1998). These initiatives may enhance intrinsic motivation and inspire employees to work toward meeting the increasing job demands, but simultaneously



the initiatives may raise levels of job strain and other negative psychosocial related outcomes among employees, generating significant costs in terms of sickness, lost time, and low productivity (Parker & Sprigg, 1999; Theorell & Karasek, 1996) if such approaches does not suit to the new generations, like generation Y.

With the arrival of generation Y in the workplace, process management, and integration has taken on a new face, a fresh perspective and a new urgency. This is the generation that will be taking the wheel and driving a very different workplace and the ways of driving the work performance of this generation will never be similar in the past. Dawn (2004), Rowh (2007), Smola and Sutton (2002), and Tulgan (2004) have argued that an awareness of the various generations present in today's workforce and their corresponding stereotypes is becoming increasingly important for organizations.

## **1.2 Problem Statement**

Aspects of occupational demands in driving the performance and their deleterious consequences on the psychological well-being of employees have received certain attention in the literature for the past few years, in the studies by Van and Hagedoorn, 2003; Hammer et al., 2004; . It has been widely reported that employees have been experiencing increasing levels of occupational stress (Sonnentag et al., 1994; Engler, 1998; Sethi et al., 1999; Thong and Yap, 2000) and most significant stressors identified have been work overload, role ambiguity and conflict, career progression, the diverse range of personalities encountered in their work environment (Colborn, 1994), changing technology, redundancy, limited resources (Engler, 1998), financial pressures, budget constraints, and solving users trivial but pressing and irksome problems (Vowler, 1995).

There are few numbers of recent reviews have concluded that there is evidence for significant associations between psychosocial factors at work. The job demands is found have a profound influence on job stress and indirectly lead to increased absenteeism and impaired

organizational performance (e.g. Bakker et al., 2004). The job demands such as a high work pressure, emotional demands, and role ambiguity may lead to sleeping problems, exhaustion, and impaired health (Halbesleben and Buckley, 2004), whereas job resources such as social support, performance feedback, and autonomy may instigate a motivational process leading to job-related learning, work engagement, and organizational commitment (Demerouti et al., 2001; Salanova et al., 2005; Taris and Feij, 2004). Many studies have either used a laundry-list approach to predict employee well-being, or they have relied on one of two influential job stress models, namely the Job Demand-Control Model (Karasek, 1979) and the Effort-Reward Imbalance Model (Siegrist, 1996). Although these previous studies have produced a long list of possible antecedents of employee well-being, the workforce's generations approaches studies in driving the people performance through psychosocial work climate has been limited.

The psychosocial work climate evolves from social and interpersonal relations between organizational actors; that it is a result of formal and informal interactions and negotiations among employees and between employees and management (Hammer, 2004). Through these interactions and negotiations, a set of norms (particularly job demands and job resources factors) develop that govern organizational members' relations to one another and to the organization, and influence their job-related attitudes and behaviors toward work performance.

At the same time, the "changing world of work" (new forms of work organization, work intensification, constant reorganizations, etc.) and generational differences issues (especially generation Y who soon taking over the future business) that enter the workplace have many implications for the way companies manage the performance of their workforce. While it is still important to manage the impact of business and generational differences, managing the impact of psychosocial work environment on the business is increasingly relevant as well.

In response, this research has directed the attention towards the potential impact of psychosocial work climate which contributes to organizational norms on the employee work performance, where workforce from different generations as the moderating factors for the employee performance.

### **1.3 Research Objectives**

The objective of this study is to examine whether any dominant psychosocial factors in workplace can drive the performance of the employees in an organization, based on generational differences. Given the past development of psychosocial factors and level of job demands / job resources research in the area of occupational issue, it is important that more investigations shall be undertaken to explore and examine the insight of the psychosocial impact toward people performance, especially between the GEN X and GEN Y employees.

This research is attempted to present a comprehensive model that can help to understand the relationship between psychosocial work climate and the employee work performance in difference generations. The findings shall broadening our knowledge on the new approach in driving people performance in an organization today, under a generational variations, on top of those conservative human resources strategies.

### **1.4 Research Questions**

In order to achieve the main objective of this study, the researcher has used the Job Demands-Resources Model as the guide and two key questions has been identified to answer upon completed the research:

- (a) Are the independent variables (job demands and job resources) significantly related to the dependent variable (work performance)?
- (b) Are the moderating efficacies of generational differences (generation X & generation Y) has influence the relationship between independent variables (job demands and job resources) significantly related to the dependent variable (work performance)?

## **1.5 Scope of Study**

The present study was conducted among the Malaysia workforce from various age group and generations, with no preference on the nature of work and the business or industry conditions. There is no generally accepted definition of a workforce or employee due to it vary from countries, the most widely used definition is refer to a pool of human resources under the firm's control in a direct employment relationship (Normala, 2006).

In the case of this research, those employees that being hired by an employer to work permanently under an organisation in Malaysia within the generation age between GEN X & GEN Y are considered scope of this study. The study focused on two major age groups of people that were chosen randomly from the Malaysia residents.

This study tried to cover the generational differences as the past researchers has noted that the employers face great challenges in gaining the commitment of younger employees (Hurst and Good, 2009). Employees bring to the workplace their own set of values and expectations. Therefore, employers that adjust their human resource strategies to be more flexible and potentially accommodating to employee values, will more likely attract available talent, and ultimately improve work performance (Lowe and Schellenberg, 2002). To obtain the target group of this study, the researcher has recognize and, ideally, accommodate generational differences that may distinguish individuals feedback and findings.

## **1.6 Significance of Study**

Malaysia is a fast emerging economy in South-East Asia with ranked number one among the ASEAN countries in world performance ranking with populations greater than 20 million (World Competitiveness Yearbook, 2008). The country practices a moderate form of Islam (Tong and Turner, 2008) and the population consists of three major ethnic groups, namely Malays, Chinese and Indians with average 25% of the generation X and 25% of generation Y in workplace (Malaysia Population By Age Group, 2010). Almost all the Malaysian workforce is

employed with a low unemployment rate of 3% (Statistics of Labour Force Malaysia, 2010). These populations of workforce shall provide an interesting insight about the competitiveness of the workforce that embraces various ethnic groups and religions.

Although there have been few studies on psychosocial factors in Malaysia (Sadhra et al., 2001), they have focused on similar stressful workplace experiences reported in developed countries. In Malaysia, for example, employees reported that they experienced stress that is provoked by several factors such as workloads, organizational politics and a lack of autonomy in the workplace (Poon, 2003; Aziah et al., 2004; Huda et al., 2004; Edimansyah et al., 2008;). Recent research also presents in the context of Malaysia that embraces various ethnic groups and religions, and this makes it almost unique for psychosocial field (Hassan et al., 2007). However, few studies have considered that even among the Malaysian employees there are differences in terms of generation variances.

Most of the researchers have focused on the human resources strategies in driving the people performance in workplace and manage their employees effectively. In this study, we contribute to the literature in two ways. First, it examines the psychosocial factors that affect the performance of employees. Second, it adds an interesting dimension, since generational differences being an important factor of growth for Malaysia's workforce.

This study may offer useful information to the human resources practitioners about the employee performance management in a different perspective, through psychosocial approaches. The paper highlights good possibilities for synergy in combining the human resources strategies and psychosocial approaches to their organization in achieving a better competitive advantage.

## **1.7 Limitation**

Due to a broad range of Malaysia populations where random sampling may not fully represented the populations under this study scope, the findings presented are not generalisable to the wider population of workforce in the Malaysia due the small sample size. Thus, research involving additional samples is needed to ensure the appropriate generalisation of the results. A longitudinal research can be furthered to establish how patterns of the psychosocial factors change over time and the concurrent and lagged effects of work performance.

The studies mentioned above discovered similarities and differences between generational differences in regard to the nature of psychosocial factors, yet were silent in regard to the Muslim countries of Malaysia. The sample comprises the workforce employed within Malaysia and it remains to be seen whether the findings can be replicated in other groups and in other countries and cultures. While there have been limited studies that have examined psychosocial work climate among Malaysian workforce, it is anticipated that further studies that are conducted cross-cultures and countries will be able to determine the boundaries of generalisability.

The limited empirical work that compares generations does so in the context of strategically managing multiple generations within a company and there is lack of consensus regarding whether generational differences impact workplace performance (Sullivan et al., 2009). However, our study examines a generational cohort (particularly Gen X & Gen Y) from the psychosocial perspective and we found no studies attempting that focus, after considering the numbers of elder generations (particularly Veteran and Baby Boomer) are diminishing with age and left minority still members who remain active in the workforce, which may caused limitation in sampling exercise.

The most important limitations are the reliance on self-reported questionnaire data. There is concern in the study that respondents do not always perform as they say they will and might not answer truthfully for a variety of personal or organizational reasons.

## **1.8 Definition of Key Terms**

Following is a list of the definitions of the main variables used in this research:

*Employee* : is a person work under an organization that can help to improve business performance through their ability to generate ideas and use these as building blocks for new and better products, services and work processes (Jeroen and Deanne, 2007). The committed employees have continued to demonstrate higher levels of attendance and longer organization tenure than less committed employees. Certainly, they also have tended to work harder at their jobs and perform better than do those with weak commitment (Becker, 1992; Clugston et al., 2000; Morrow and McElroy, 1993; Reichers, 1985)

*Generation* : the individuals who share birth years identify with each other as in-group members while others outside of the group recognize them as a distinct generation. Thus, individuals from a respective generation can be differentiated from members of other generations not only by shared birth years but also by the unique social and historical experiences of the members' youths which permanently influenced their characteristics (Sullivan et al., 2009).

*Generation X* : the individuals who was born between 1967 and 1979 (Foot and Stoffman, 1998) with smaller generational cohort due to the decline in births and a generation that underwent the evolution of the women's rights and the financial, family and societal insecurity during their childhoods (Zemke et al., 2000).

*Generation Y* : the individuals who was born between 1980 and 1995 (Foot and Stoffman, 1998) and is more often known as “the millennials” (Lancaster and Stillman, 2002) due to they are the the first generation born into a technologically based world (Smola and Sutton, 2002) with an increased use and familiarity with communications, media, and digital technologies.

*Job Contents Questionnaires* : is a self-administered instrument designed to measure social and psychological characteristics of jobs. The best-known scales--(a) decision latitude, (b) psychological demands, and (c) social support--are used to measure the high demand / low control / low-support model of job strain development (Karasek, R.A., 1998)

*Performance* : is an act of meeting organizational objectives and effective functioning (Behrman & Perreault, 1984).

*Psychosocial* : is the psychological and social conditions people experience in the workplace (Hammer et al., 2004).

*Work Climate* : is the “weather of the workplace.” defined by Perry C, et al. (2005). Just as the weather can affect daily activities, the work climate influences employee behavior. A work climate is a valuable resource for organizational effectiveness because it influences employees’ commitment to the organization (e.g. Carr et al., 2003).

*Psychosocial Work Climate* : a nonphysical aspects of the work environment that have a psychological and physiological impact on the employee (Warren, 2001)”.



## **CHAPTER 2**

### **LITERATURE REVIEW**

#### **2.1 Overview**

Nowadays, the trend companies in Malaysia are moving towards performance-based reward systems. This can be seen by a survey done by Malaysia Employer Federation (MEF) on 233 companies in Malaysia, in which 86.3 percent of respondent companies linked the salaries of their executives to their performance or productivity, while 81.1 percent did so for their non-executives (Malaysian Employers Federation, 2007) and the trend is encouraging where a seniority emphasis in the reward system is weakening in Malaysia and promotion based on seniority as a reward for loyalty is being replaced with a performance and merit system (Chew, 2005).

In maintaining a high performance organisation that achieves financial and non-financial results that are better than those of its peer group over a period of time of at least five to ten years (De Waal, 2008), the term “psychosocial work climate” has begun obtained the attention of organization leaders today, besides the past identified set of HRM best practices which will improve firm performance (Guest, 1987; Whitener, 2001; Wood and de Menezes, 1998). Several theoretical approaches in the psychosocial work climate framework has addressed the issue of the design of healthy work (Kompier, 2003; Le Blanc et al., 2000) such as the Job Demand-Control Model (Karasek, 1979), the Effort-Reward Imbalance Model (Siegrist, 1996) and the Job Demands-Resources Model (Bakker et al., 2003; Demerouti et al., 2001). These theoretical approaches differ from HRM practise in that they emphasize different perspectives of the work environment and hypothesize different roles for personality factors (Kompier,

2005). This study begins by outlining the conceptual background to understand the important psychosocial factors that influences the employees' work performance. The literature studies shall explore the past research findings for the reference of this paper.

## **2.2 Employee Work Performance**

Work performance refers to employees' behaviors that are supposed to contribute to the effectiveness of the organization and to overall organizational performance (Campbell, 1990). Sinha (2004) explains that work performance is related to the willingness and openness to try and achieve new aspects of the job which in turn will bring about an increase in the individual's productivity. Employees' performance, according to Borman and Motowidlo (1997), consists of their task or in-role behaviour and their contextual or extra-role behaviour. The in-role performance behaviours of employees could contribute either directly or indirectly to their personal and organisational productivity. However, their discretionary behaviors or extra-role performance may not contribute directly to their personal productivity but indirectly to the effective functioning of their organisations (Organ & Paine, 1999).

The meaning of work performance in the field of organizational behavior has changed over the last 40 years. Research has shifted from a focus on jobs and their fixed tasks to a broader understanding of work roles in dynamic organizational contexts (Ilgen & Hollenbeck, 1991). Traditionally, work performance was evaluated in terms of the proficiency with which an individual carried out the tasks that were specified in his or her job description. From this perspective, a "well-specified job" was one in which all of the behaviors that contributed to organizational goal attainments were captured in an individual's job description (Murphy & Jackson, 1999). Effectiveness could then be evaluated as outcomes achieved by carrying out the specified behaviors of the job (Campbell, McCloy, Oppler, & Sager, 1993). Table 2.1 identifies the main approaches to work performance from the past literatures.

Authors	Aspect
Campbell et al., 1993	<ul style="list-style-type: none"> <li>- Job-specific task proficiency</li> <li>- Non-job-specific task proficiency</li> <li>- Written and oral communication proficiency</li> <li>- Demonstrating effort</li> <li>- Maintaining personal discipline</li> <li>- Facilitating peer and team performance</li> <li>- Supervision and leadership</li> <li>- Management and administration</li> </ul>
Borman & Motowidlo, 1993	<ul style="list-style-type: none"> <li>- Task performance</li> <li>- Contextual performance</li> </ul>
Welbourne et al., 1998	<ul style="list-style-type: none"> <li>- Job role behaviour</li> <li>- Career role behavior</li> <li>- Innovator role behavior</li> <li>- Team role behavior</li> <li>- Organization role behavior</li> </ul>
Podsakoff et al., 2000	<ul style="list-style-type: none"> <li>- Helping behavior</li> <li>- Sportsmanship</li> <li>- Organizational loyalty</li> <li>- Organizational compliance</li> <li>- Individual initiative</li> <li>- Civic virtue</li> <li>- Self-development</li> </ul>
Pulakos et al., 2000	Adaptivity
Frese & Fay, 2001	Proactivity
Crant, 2000	<ul style="list-style-type: none"> <li>- General proactive behavior</li> <li>- Context-specific proactive behavior</li> </ul>
Johnson, 2003	<ul style="list-style-type: none"> <li>- Task performance</li> <li>- Citizenship performance</li> <li>- Adaptive performance</li> </ul>
Parker et al., 2006	Proactive work behavior

**Table 2.1 : Frameworks Addressing Aspects of the Performance Domain**

The changing nature of work and organizations has challenged traditional views of individual work performance (Ilgen & Pulakos, 1999). Two of the major changes are the increasing interdependence and uncertainty of work systems (Howard, 1995). Murphy and Jackson (1999) has developed a total set of performance responsibilities associated with one's employment and further proven by Griffin et. al. (2007). This model of work performance in Figure 2.1 has cross-classifying the three levels at which role behaviors to assess the effectiveness (individual, team, and organization) and the three different forms of behavior

(proficiency, adaptivity, and proactivity) into sub-dimensions of work performance. It is considered an important extension to existing performance models.

<b>Individual Work Role Behaviors</b>	<b>Proficiency</b> Fulfills the prescribed or predictable requirements of the role	<b>Adaptivity</b> Copes with, responds to, and supports change	<b>Proactivity</b> Initiates change, is self- starting and future-directed
<b>Individual Task Behaviors</b> Behavior contributes to individual effectiveness	<b>Individual Task Proficiency</b> e.g., ensures core task are completed properly	<b>Individual Task Adaptivity</b> e.g., adjust to new equipment, processes, or procedures in core tasks	<b>Individual Task Proactivity</b> e.g., initiates better way of doing core tasks
<b>Team Member Behaviors</b> Behavior contributes to team effectiveness rather than individual effectiveness	<b>Team Member Proficiency</b> e.g., coordinates work with team members	<b>Team Member Adaptivity</b> e.g., responds constructively to team changes (e.g., new members)	<b>Team Member Proactivity</b> e.g., develops new methods to help the team perform better
<b>Organization Member Behaviors</b> Behavior contributes to organization effectiveness rather than individual and team effectiveness	<b>Organization Member Proficiency</b> e.g., talks about the organization in positive ways	<b>Organization Member Adaptivity</b> e.g., copes with changes in the way the organization operates	<b>Organization Member Proactivity</b> e.g., makes suggestion to improve the overall efficiency of the organization

**Figure 2.1 : Models of Work Performance Behaviours**

According to Griffin et. al. (2007), the main characteristic of each sub-dimension and how these characteristics relate to the performance constructs listed in Figure 2.1 as below:

(a) Individual Task Proficiency

Individual task proficiency describes behaviors that can be formalized and are not embedded in a social context. These behaviors reflect the degree to which an employee meets the known expectations and requirements of his or her role as an individual. In essence, individual task proficiency is closely related to the concepts “task performance” (Borman & Motowidlo, 1993; Johnson, 2003) and “job role behavior” (Welbourne et al., 1998), and incorporates Campbell and colleagues’ (1993) concepts “job-specific,” “non-job-specific,” and “written and oral” task proficiency. Traditional performance management systems focus almost entirely on this dimension of performance.

(b) Team member proficiency

Team member proficiency describes behaviors that can be formalized and are embedded in a team or group context. These behaviors reflect the degree to which an individual meets the expectations and requirements of his or her role as a member of a team. Team member proficiency is similar to the concepts “personal support” (Borman,

Buck, Hanson, Motowidlo, Stark, & Drasgow, 2001), “helping behavior” (Podsakoff, MacKenzie, Paine, & Bachrach, 2000), and “team role behavior” (Welbourne et al., 1998). These behaviors are often expected whenever people work in teams, even if they are not formally specified in job descriptions.

(c) Organization member proficiency

Organization member proficiency describes behaviors that can be formalized and are embedded in an organizational context. These behaviors reflect the degree to which an individual meets the expectations and requirements of his or her role as a member of an organization. Organizational role proficiency is similar to the concepts “organizational support” (Johnson, 2003), “organizational loyalty and civic virtue” (Podsakoff et al., 2000), and “organization role behavior” (Welbourne et al., 1998). These contributions are often expected, particularly when work systems are highly interdependent.

(d) Individual task adaptivity

Dynamic, unpredictable markets and rapidly changing technologies result in unanticipated changes to work requirements. To be effective in these contexts, individuals need to adapt to or cope with changes to their work roles and their environment. Individual task adaptivity reflects the degree to which individuals cope with, respond to, and/or support changes that affect their roles as individuals. Individual task adaptivity is important in light of factors such as the introduction of new technology, work redesign, and changes in strategy, all of which can require individuals to adjust their workplace behaviors. In this model, adaptivity refers only to behaviors.

(e) Team member adaptivity

Team member adaptivity reflects the degree to which individuals cope with, respond to, and/or support changes that affect their roles as members of a team. Team member adaptivity is similar to Pulakos and colleagues’ (2000) “interpersonal adaptability”. The extent to which team members adapted their roles and internal structures to align with their external environment is positively influenced their performance (Moon et al., 2004).

(f) Organization member adaptivity

Organization member adaptivity reflects the degree to which individuals cope with, respond to, and/or support changes that affect their roles as organization members. Previous analyses of adaptive performance (Hesketh & Neal, 1999; Pulakos et al., 2000) have not differentiated organizational role adaptivity from individual and team role adaptivity. Many of the changes to which employees are required to adapt occur at the organizational level. Mergers, restructuring, and business process reengineering are common examples of events that require individuals to adjust to organizational change.

(g) Individual task proactivity

Individual task proactivity is defined as the extent to which individuals engage in self-starting, future-oriented behavior to change their individual work situations, their individual work roles, or themselves. The requirement for individual task proactivity is increasing, given that pressures for continual improvement and innovation coexist with increasing decentralization (Campbell, 2000; Parker, 2000). Individuals need to identify improved ways of working under their own initiative, without relying on directions from supervisors (Crant, 2000; Parker, 1998). Related constructs include “proactive behavior” (Crant 2000; Parker et al., 2006), “taking charge” (Morrison & Phelps, 1999), “personal initiative” (Frese, Kring, Soose, & Zempel, 1996), and “innovator role behavior” (Welbourne et al., 1998).

(h) Team member proactivity

Team member proactivity reflects the extent to which an individual engages in self-starting, future-directed behavior to change a team’s situation or the way the team works. Behaving proactively in relation to one’s team is particularly important when teams are self-managing, as are autonomous work groups and many types of project teams. Like individual proactivity, team member proactivity differs from its corresponding citizenship constructs, namely “helping behavior” (Podsakoff et al., 2000) and “personal support” (Borman et al., 2001; Johnson, 2003).

(i) Organization member proactivity

Organization member proactivity reflects the extent to which an individual engages in self-starting, future-directed behavior to change her or his organization and/or the way the organization works. Such behaviors ensure that the organization as a whole develops and innovates, rather than promoting change only within narrow functional or departmental silos.

### **2.3 Human Resources Management Practise**

Many past researches have shown various importance of human resource management practices that may influence the employees' work performance and organizational performance. Rewards are the most common human resource management practice used to acknowledge and compensate employees for good performance (Anderson and Chambers, 1985; Jaworski, 1988; Brown, 2005). Among other influential HRM practice are communication (feedback), meaningfulness and responsibility (job/work design and career planning) that may lead to work motivation, growth satisfaction, general satisfaction and work effectiveness (Osman et al., 2011). The individuals with high levels of commitment are more willing to devote greater efforts towards an organisation's goals and objectives (Guest, 1987). The past research also demonstrated the positive motivational effects reward programs have on employee performance (Guzzo et al., 1985; Locke et al., 1980; Stajkovic and Luthans, 1997). Happy workers are productive workers or employees who are satisfied with their jobs are likely to be better performers (Fisher, 2003).

However, the employer-employee relationship is no longer similar from the past with the entry of younger generations into workplace. The employees nowadays engage in resource exchange relationships with their employer, whereby they trade their skill and expertise for a salary and opportunity to enhance their human capital and develop their own identities (Hall and Mirvis, 1995). This so called new employment relationship might be led by situations where there are no long-term contracts of loyalty and no mutual commitment between employers

and employees (Cappelli, 1999; Hall, 1996). These relationship trends make the roles of the employer in creating employees with high work performance more challenging than before, where the findings of past research may potential not applicable to nowadays organization.

With the change of global trend, there are some examples of companies are moving in different way of managing employees' work performance. IKEA is one example of firms that know how to mobilise human resources to reach higher performance. If you go shopping at IKEA, you see short meetings of department staff standing in a circle in the shop itself, discussing what should be done and what can be improved. IKEA includes all stakeholders, customers, suppliers, employees, management, and is able to decide on innovation within a couple of days to ensure the performance of organization (Weisbord and Janoff, 2005). The emphasis of psychosocial factors in workplace is considered a new and combined intervention in the fields of work organisation, human resource management and supportive technologies to improve quality of working life and organization performance can be achieved simultaneously (Pot and Koningsveld, 2009).

## **2.4 Psychosocial Work Climate**

In general, organizational climate refers to 'shared perceptions of organizational policies, practices, and procedures' (Reichers & Schneider, 1990). Organizational climate research that uses broad climate constructs has been criticized, due to lack of specificity in predicting outcomes (Carr et al., 2003). Therefore, Schneider (2000) argued that climate measures should be specific to the predicted outcome, for example, a 'climate for service' or a 'climate for safety'.

To measure a specific facet of organizational climate that link to people performance, this research follow the view of Warren (2001) to focus on Psychosocial Work Climate (PWC) that being defined as "nonphysical aspects of the work environment that have a psychological and physiological impact on the employee". Despite the proliferation of climate measures,



there are none that specifically relate to PWC but Psychosocial Safety Climate (PSC) is conceived as a facet-specific component of organizational climate, a 'climate for psychological health and safety' that is hypothesized to specifically relate to the outcome – people psychological health and performance.

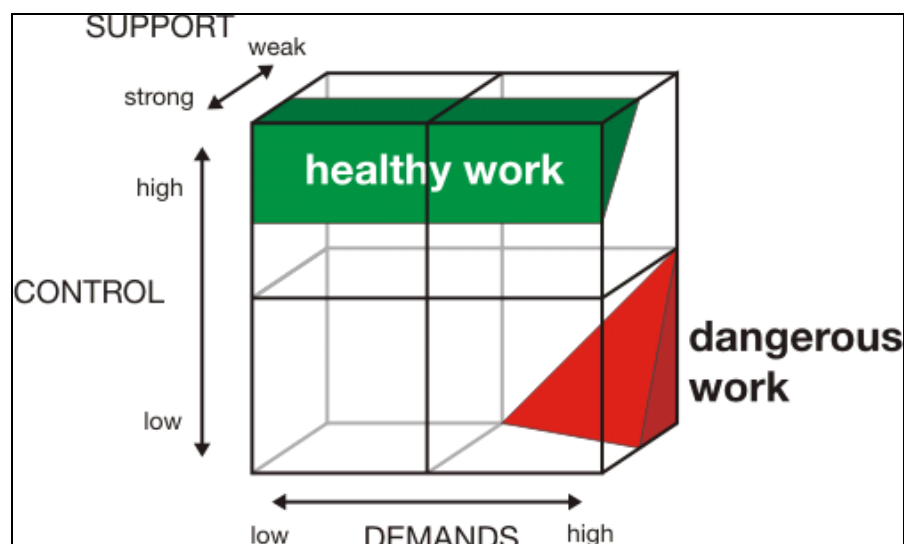
PSC is defined as policies, practices, and procedures for the protection of worker psychological health and safety (Dollard, 2007). PSC traverses four domains (Dollard and Bakker, 2010; Dollard, 2011) that also reflect major elements of the psychosocial factors (Cox and Cheyne, 2000; Gershon et al., 2000). First, senior management support and commitment, refers to quick and decisive action by managers to correct problems or issues that affect psychological health. Second, management priority is characterized by the priority management give to psychological health. Third, organizational communication refers to the extent that the organization communicates with employees about issues that may affect psychological health and safety, and brings these to the attention of the employees. It also concerns the extent to which contributions that employees make in relation to occupational health and safety concerns are listened to. Finally, organizational participation and involvement is evident by the integration of stakeholders including employees, unions, and health and safety representatives in the occupational health and safety process, though participation and consultation. As PSC is different from physical safety climate as it is largely about a climate for psychological, not physical, well-being (Awang Idris et al., 2011), and therefore should more strongly relate to freedom from psychological and social risk or harm (Dollard & Bakker, 2010), which is expected to precede work conditions or PWC.

Although the past empirical studies on causal models of the relationship between PSC and accidents has demonstrated a significant pathway between safety climate and accidents mediated by workers' safe/unsafe behaviour (Tomas et al., 1999), there is surprisingly little research exploring the relationship between sources of PWC and employees' work performance. As PWC as an organizational antecedent to work conditions (Awang Idris et al., 2011), various models that describe how characteristics of the work climate influence employee behaviours

(Karasek, 1979; French et al., 1982; Lazarus and Folkman, 1984; Siegrist, 1996) for the past decades has been included in this literature review. The Job Demand-Control Model, Job Demand-Control-Support Model, Effort-Reward Imbalance Model and Job Demands-Resources Model are some of the psychosocial model developed in explaining the relationship between the work climate and people performance.

## 2.5 Job Demand-Control Model

Karasek's (1979, 1998) Job Demands-Control Model (JD-C Model) has been a leading work stress model in occupational health psychology since the 1980s. The model assumes that a psychological work environment can be characterised by a combination of two important characteristics that determine health and well-being. The first determinant is job demand, which refers to pace, amount of work and work complexity. The second determinant is control, which comprises two elements – decision authority (autonomy) and skill discretion (range of skills used).



**Figure 2.2 : Karasek's Job Demand-Control Model**

Two basic hypotheses are formulated in the JD-C model (van der Doef and Maes, 1999; Parker et al., 2010). Firstly, the strain (main effect) hypothesis predicts that workers in “high

strain” jobs will experience less wellbeing compared with workers in “low strain” jobs. When employees’ work has high demands and employees have little or no influence on their own control/decision making, this has adverse effects on the employees’ health both physically and psychologically (“high strain” jobs). In contrast, optimal employee motivation occurs in a situation when there is a high correspondence between demands and the level of control/decision making (active state and high learning motivation). Second, the buffer (interaction effect) hypothesis predicts that control has an interactive effect because it is able to moderate the effects of job demands on well-being. In fact, control over one’s work can buffer the potentially negative effects of excessive job demands on health and well-being because it provides workers with an opportunity to adjust their work demands according to their needs, abilities and circumstances (Wall et al., 1996).

The demands of the job are usually considered to be a key source of stress for workers (Cooper et al., 2001). Conversely, control is considered as a resource for coping with demands that promotes motivation, satisfaction and performance (Karasek and Theorell, 1990). The two variables in different configurations bring different outcomes for an employee: from passive state to a high performance motivation.

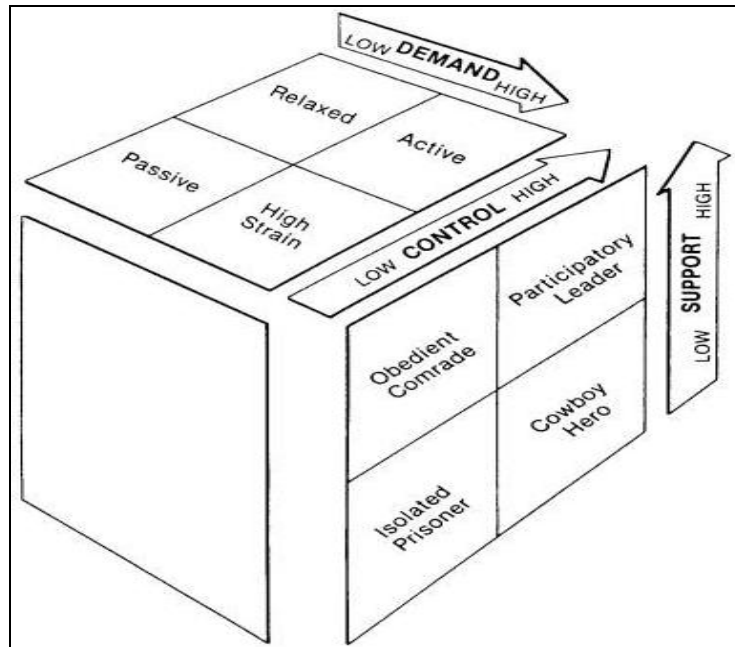
According to Karasek (1998), job demands increase, enhancing job control may not only decrease strain but may also increase employees’ intrinsic work motivation. Intrinsic motivation is the motivation to perform an activity for itself, in order to experience the pleasure and satisfaction inherent in the activity (Deci, Connell, & Ryan, 1989; Vallerand, 1997). Autonomy has been identified as a crucial determinant of intrinsic motivation. For example, Richer and Vallerand (1995) demonstrated that a controlling supervisory style, whether punitive or nonpunitive, had a detrimental effect on subordinates’ intrinsic motivation. Providing employees with autonomy allows them to make certain choices and decisions about their work; these may concern how they plan their work (timing control) or the methods they use to carry out their work (method control).

Karasek's (1979) Demand-Control Model suggests that autonomy is particularly important for employees' intrinsic motivation when they find themselves in highly demanding jobs. However, little evidence is available showing that employees who face high job demands but perceive high job control are especially likely to be more intrinsically motivated, more productive, and improve work performance. This may suggest that job control is only partly able to buffer the impact of job demands on employee well-being (Bakker and Demerouti, 2007). Nevertheless, the JD-C Model has dominated the empirical research on job stress and health over the past 20 years (Cordery, 1997).

## **2.6 Job Demand-Control-Support Model**

The original JD-C Model proposed by Karasek (1979) was criticized because the central dimension of the model primarily ignored the role of social support (Cohen and Willis, 1985; Beehr et al., 1990; Van der Doef and Maes, 1999). Johnson (1986) introduced the term "iso-strain" (refers is, "isolation strain"), referring to jobs with high demands, low control, and low job social support, and showed that employees in high iso-strain jobs reported more heart disease, fatigue, and other health complaints.

Drawing on Johnson's (1986) dissertation research, Karasek and Theorell (1990) have acknowledged this criticism and examined the role of social support with the JD-C Model to find a clear association between job strain and levels of social support. Moreover, Karasek and Theorell (1990) have demonstrated that the support of co-workers and supervisors may be one of the most important factors that can be used to reduce stress in working environment. Additional support for this finding can be found in subsequent studies undertaken by Dollard et al. (2000), Leong et al. (1996) and Terry et al. (1993).



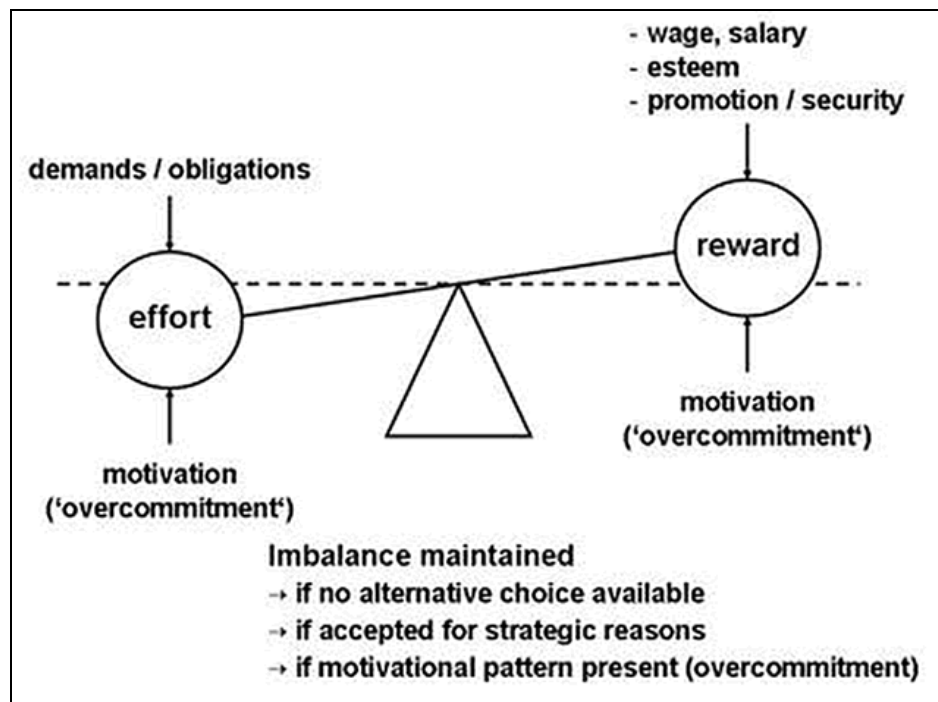
**Figure 2.3 :** Karasek's Expanded Job Demand-Control-Support Model

However, in the past review on the Job Demand-Control-Support Model (JD-C-S Model), Van der Doef and Maes (1999) pointed out that a considerable number of studies have included measures of job demands, job control, and job social support, but only five have actually examined whether job social support buffered the impact of high-strain jobs. The results of these five studies are highly inconsistent and provide no conclusive evidence regarding Karasek and Theorell's (1990) prediction that job social support is a buffer.

## **2.7 Effort-Reward Imbalance Model**

The Effort-Reward Imbalance Model (ERI Model) (Siegrist, 1996) emphasizes the reward, rather than the control structure of work. The ERI Model assumes that job strain is the result of an imbalance between effort (extrinsic job demands and intrinsic motivation to meet these demands) and reward (in terms of salary, esteem reward, and security/career opportunities – i.e. promotion prospects, job security and status consistency). The basic assumption is that a lack of reciprocity between effort and reward (i.e. high effort/low reward conditions) will lead

to arousal and stress, as mentioned in Equity Theory (Walster et al., 1978), which, in turn, may lead to poor performance and other strain reactions.



**Figure 2.4 : Effort-Reward Imbalance Model**

Thus, having a demanding, but unstable job, achieving at a high level without being offered any promotion prospects, are examples of a stressful imbalance (De Jonge et al., 2000). The combination of high effort and low reward at work was indeed found to be a risk factor for cardiovascular health, subjective health, mild psychiatric disorders and burnout (Van Vegchel et al., 2005). Unlike the JD-C Model, the ERI Model introduces a personal component in the model as well. Over commitment is defined as a set of attitudes, behaviors and emotions reflecting excessive striving in combination with a strong desire of being approved and esteemed. According to the model, over commitment may moderate the association between effort-reward imbalance and employee well-being. Thus, personality is expected to be able to further qualify the interaction between effort and reward. Some evidence for this pattern has indeed been reported by De Jonge et al. (2000).