

**FACTORS AFFECTING EMPLOYEE'S
PERFORMANCE AMONG ADMINISTRATORS
IN MALAYSIAN PUBLIC UNIVERSITIES: THE
MEDIATING ROLE OF EMPLOYEE AGILITY**

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UNIVERSITI SAINS MALAYSIA

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by

SITI ZALEHA BINTI AHMAD NADZIM

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LIST OF ABBREVIATIONS

AVE	Average Variance Extracted
CB-SEM	Covariance-Based Structural Equation Modelling
CC	Communication and Collaboration
CMV	Common Method Variance
CR	Composite Reliability
DCC	Digital Content Creation
EA	Employee Agility
EE	Employee Empowerment
EP	Employee Performance
HTMT	Heterotrait - Monotrait
IDL	Information and Data Literacy
IPMA	Importance and Performance Matrix Analysis
MOHE	Ministry of Higher Education
PLS-SEM	Partial Least Square-Structural Equation Modelling
PS	Problem Solving
SD	Standard Deviation
SDT	Self-Determination Theory
SET	Social Exchange Theory
SF	Safety
SPV	Shared Prosperity Vision
TM	Talent Management
TW	Teamwork
VIF	Variance Inflation Factor

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**FAKTOR-FAKTOR YANG MEMPENGARUHI PRESTASI PEKERJA
DALAM KALANGAN PENTADBIR DI UNIVERSITI AWAM MALAYSIA:
PERANAN KETANGKASAN PEKERJA SEBAGAI PENGANTARA**

ABSTRAK

Revolusi Industri 4.0 (IR 4.0) menuntut perubahan dalam penggunaan teknologi digital yang turut memberi kesan terhadap sektor perkhidmatan dan bidang pendidikan. Pentadbir perlu tangkas dalam menghadapi era perubahan ini dan menunjukkan prestasi kerja yang baik seiring dengan peredaran teknologi digital bagi memastikan mereka dapat memberikan perkhidmatan terbaik kepada pelanggan dan pemegang taruh. Walau bagaimanapun, penyelidikan terdahulu mengenai prestasi pentadbir dalam era IR 4.0 terutamanya di universiti awam Malaysia kurang diberi perhatian. Ketangkasan pentadbir adalah perlu bagi meningkatkan prestasi mereka. Untuk itu, tujuan penyelidikan ini adalah bagi mengkaji pengaruh faktor-faktor (kompetensi digital, pemeraksanaan pekerja, kerja berpasukan dan pengurusan bakat) ke atas ketangkasan pekerja dan bagaimana ketangkasan pekerja mampu menjadi pengantara hubungan antara faktor-faktor (kompetensi digital, pemeraksanaan pekerja, kerja berpasukan dan pengurusan bakat) dan prestasi pekerja. Sebanyak 310 data diperolehi daripada pentadbir di universiti awam Malaysia melalui borang kaji selidik yang dirangka dan telah dipra-uji oleh pentadbir di universiti awam Malaysia dan pakar akademik. Data telah dianalisa dengan menggunakan Partial Least Square-Structural Equation Modelling (SEM-PLS) melalui perisian Smart PLS4. Hasil kajian menunjukkan bahawa kompetensi digital, pemeraksanaan pekerja, dan kerja berpasukan mempunyai hubungan yang positif dan signifikan terhadap ketangkasan pekerja dalam kalangan pentadbir di universiti awam Malaysia. Ia juga mendapati

bahawa ketangkasan pekerja mempunyai hubungan positif dan signifikan terhadap prestasi pekerja. Selain itu, ketangkasan pekerja menjadi pengantara hubungan di antara kompetensi digital, pemeraksanaan pekerja, kerja berpasukan dan prestasi pekerja. Walau bagaimanapun pengurusan bakat didapati tidak mempunyai hubungan positif dan signifikan terhadap ketangkasan pekerja dan ketangkasan pekerja tidak menjadi pengantara hubungan di antara pengurusan bakat dan prestasi pekerja dalam kalangan pentadbir di universiti awam Malaysia. Akhir sekali limitasi kajian ini dijelaskan dan cadangan untuk kajian akan datang juga dibentangkan.

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ABSTRACT

Industrial Revolution 4.0 (IR 4.0) demands changes in the use of digital technology that also affects the service sector and the education sector. Administrators need to be agile in facing this era of change and show good work performance along with the circulation of digital technology to ensure that they can provide the best service to customers and stakeholders. However, previous research on the performance of administrators in the era of IR 4.0 especially in Malaysian public universities has received little attention. The agility of administrators is necessary to improve their performance. For that, the purpose of this research is to study the influence of factors (digital competence, employee empowerment, teamwork and talent management) on employee agility and how employee agility can mediate the relationship between factors (digital competence, employee empowerment, work teamwork and talent management) and employee performance. A total of 310 data were obtained from administrators in Malaysian public universities through a survey form that was designed and pre-tested by administrators at Malaysian public universities and academic experts. Data was analysed using Partial Least Square-Structural Equation Modelling (SEM-PLS) through Smart PLS4 software. The results of the study show that digital competence, employee empowerment, and teamwork have a positive and significant relationship with employee agility among administrators in Malaysian public universities. It also found that employee agility has a positive and significant relationship with employee performance. Additionally, employee agility mediates the

relationship between digital competence, employee empowerment, teamwork and employee performance. However, talent management was found not to have a positive and significant relationship with employee agility and employee agility did not mediate the relationship between talent management and employee performance among administrators in Malaysian public universities. Finally, the limitations of this study are explained and recommendations for future studies are also presented.

CHAPTER 1

INTRODUCTION

1.1 Introduction

This chapter focuses on the background of the study, which includes the factors that led to the present investigation. It also discusses the research questions that were derived from the research objectives that were based on the research problem, the scope of the study, and the significance of the study. Finally, it concludes with a discussion of the structure of the subsequent chapters.

1.2 Background of the Study

The economy of Malaysia has experienced enormous expansion during the past six decades, and as a result, the country is today considered to be a high-income nation. Since the year 1970, several economic policies and models have been put into place with the purpose of reducing socio-economic inequality by establishing a development platform that is more inclusive for the citizens. The policies and models that have been the basis for the success that the nation has made up to this point are currently being maintained by Shared Prosperity Vision 2030 (SPV 2030) was presented to the public in the year 2019. The main objective of SPV 2030 is to establish a harmonious and unified nation in Malaysia, one in which the prosperity of the nation is distributed in a manner that is fair and equitable to all people, irrespective of differences in ethnicity, social status, or geographical location (SPV 2030, 2019).

Through the implementation of this commitment, the nation's political stability, economic prosperity, and national unity will be enhanced, and the nation-state will be built upon the foundation of ethnic and cultural diversity. Figure 1.1

illustrates the aims, guiding principles, strategic thrusts, and enablers that are associated with the SPV 2030.

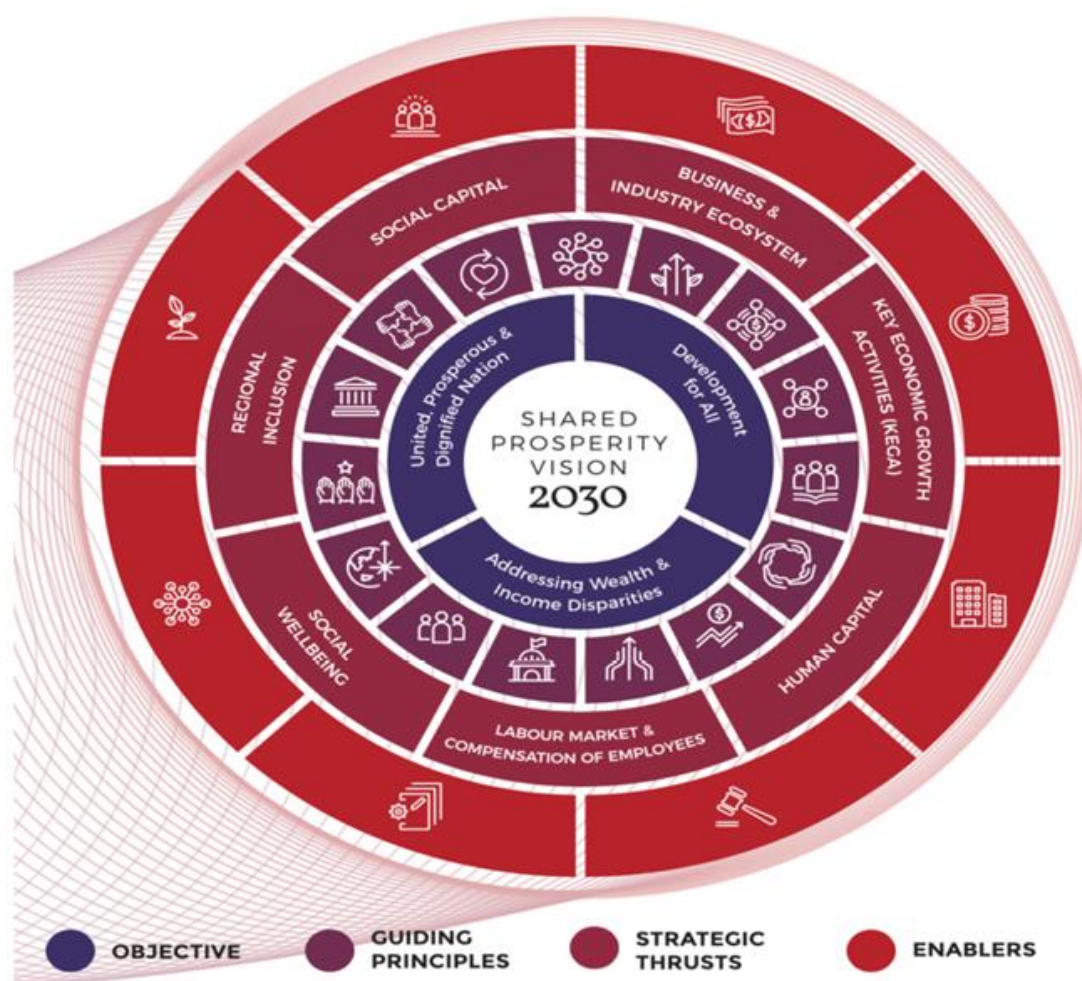


Figure 1.1 SPV 2030 Objectives, Guiding Principles, Strategic Thrusts and Enablers.

Source: SPV 2030 Blueprint, Economic Planning Unit, Prime Minister Department, (2019)

The SPV 2030 document delineated three primary goals, namely development for all, addressing wealth and income disparities, united and prosperous, and dignified nation. In order to accomplish these goals, a set of 15 guiding principles, seven strategic thrusts, and eight enablers are specified, as showed in Figure 1.2:



Figure 1.2 Shared Prosperity Vision 2021-2030 Guiding Principles and Enablers.

Source: SPV 2030 Blueprint, Economic Planning Unit,
Prime Minister Department, (2019).

From the SPV 2030, higher education is a significant national priority, and its impact on the economic and social welfare of the state is crucial. In this respect, Higher Education Institutions (HEIs) play important role as one of the enablers of SPV 2030 for Education and TVET. SPV 2030 has been implemented until year 2022 and has been replaced by new government policy the MADANI Economy in January 2023.

The government has launched the MADANI Economy to formulate a national development policy (Berita Harian, 19th January 2023). The MADANI Economy was introduced to replace the Shared Prosperity Vision (SPV 2030) as it has a comprehensive framework and is in line with the current economic environment (PMO, 9 October 2023). In the formation of Malaysia MADANI's policy framework, education continues to be one of the important elements. This can be seen through

Budget 2024 which places Ministry of Higher Education (MOHE) as the fifth largest allocation recipient in Budget 2024. According to Dato' Seri Mohamed Khaled Nordin, the Minister of Higher Education, MOHE focus its efforts on digitization, utilize technology, and be more holistic in its approach to stimulate the growth of various agencies and segments in Malaysia's higher education sector (Mukhriz, Sinar Harian, 13th October 2023).

Under the Ministry of Higher Education (MOHE), there are public universities and private universities. Public universities in Malaysia are categorized into three (3) groups, namely Research Universities, Comprehensive Universities, and Focused Universities (technical, education, management, defence). To date, there are 20 public universities in Malaysia consisting of five (5) Research Universities, four (4) Comprehensive Universities and eleven (11) Focused Universities. MOHE lists 20 public universities in Malaysia as follows:

Table 1.1 List of Public Universities in Malaysia

No.	University
1.	Universiti Islam Antarabangsa (UIA)
2.	Universiti Sains Islam Malaysia (USIM)
3.	Universiti Teknologi MARA(UiTM)
4.	Universiti Pertahanan Nasional Malaysia (UPNM)
5.	Universiti Kebangsaan Malaysia (UKM)
6.	Universiti Utara Malaysia (UUM)
7.	Universiti Putra Malaysia (UPM)
8.	Universiti Pendidikan Sultan Idris (UPSI)
9.	Universiti Sultan Zainal Abidin (UniSZA)
10.	Universiti Teknikal Malaysia (UTEM)
11.	Universiti Tun Hussein Onn Malaysia (UTHM)
12.	Universiti Malaya (UM)
13.	Universiti Malaysia Kelantan (UMK)
14.	Universiti Malaysia Pahang (UMP)

Table 1.1 (Continued)

No.	University
15.	Universiti Malaysia Perlis (UniMAP)
16.	Universiti Malaysia Sabah (UMS)
17.	Universiti Malaysia Sarawak (UNIMAS)
18.	Universiti Malaysia Terengganu (UMT)
19.	Universiti Sains Malaysia (USM)
20.	Universiti Teknologi Malaysia (UTM)

Source: Ministry of Higher Education (MOHE) (2022).

The higher education sector, like other sectors, is also confronted with the issues brought about by the era of digitalization. The implementation of digital technology in the global education business confirms the future plan for sustainable management of education. The rival ahead is not just present in Asian countries, but also globally, and appears to be motivated by disruptive changes in technological advancements. Online education has expanded the range of teaching methods, introduced a diverse array of new courses, and boosted enrollment in numerous academic institutions. In the digital age, higher education institutions with a vision and goal to develop high-quality human resources must ensure that their graduates are capable of competing in the digital era (Keskes et al., 2018).

University with a large student body, numbering in the tens of thousands or more, produce an exceptionally high volume of communication and information (Sakhi, Rohullah & Abdul Rahman, 2018). The growing interest in the digital transformation of university, particularly in developed countries, is a crucial topic that requires a comprehensive review of the entire university education system. This involves replacing many functions, services, and technologies at all levels of the university, as well as in its activities and services (Ali, 2013). In order to effectively integrate all functions of the institution, it is necessary to develop agile, realistic, and

scalable digital transformation strategies that serve as the central concept (Kane, 2017; Matt et al., 2015). Therefore, universities focus on digital transformation strategy to stay competitive in global education (Hashim, Tlemsani, & Matthews, 2022).

The wave of digitalization is rapidly occurring in Malaysian education, particularly in Higher Education Institutions (HEIs), in accordance with the current trend. University must be prepared to respond to significant changes imposed by the macro environment and integrate major trends into their digital transformation strategy in order to establish a sustainable position. To ensure that Malaysian public universities able to offer the best services to their students and stakeholders, and remain competitive, Malaysian public universities need to transform in line with the advancement of digital technology. Today, digital technology is not only used in teaching and learning, research, and innovation, but also used in the delivery of non-academic and administrative services (Mimi Rabita, 2021). The efficacy of digital transformation in Malaysian public universities hinges upon the performance of the entire workforce, encompassing both academic and administrative personnel (Mimi Rabita, 2021). Hence, the employee performance plays a vital role in guaranteeing the triumph of digital transformation in Malaysian public universities.

1.2.1 Employee Performance

The success of digital transformation in public service lies on the performance of the civil servants. In Malaysian public universities, the efficacy of digital transformation in Malaysian public universities hinges upon the performance of the entire workforce, encompassing both academic and administrative personnel (Mimi Rabita, 2021). Hence, the administrators performance plays a vital role in guaranteeing the triumph of digital transformation in Malaysian public universities.

1.2.2 Employee Agility

Administrators must possess the ability to quickly and effectively adjust to changes in the transformation and digitization of public services. An agile workforce is distinguished by the rapid adaptability of its individuals, their eagerness to embrace new challenges, and their capacity to promptly adjust to shifts in the business environment (Bahrami, et. al, 2016). Tan Sri Mohd Zuki Ali, the Chief Secretary to the Government, recently emphasised the importance of civil servants following the FASTER principles. These principles, which stand for Flat, Agile, Streamlined, Tech-enabled, Efficient, and Resilient, are crucial in enabling civil servants to carry out their duties with excellence and achieve success in meticulously planned policies. The FASTER principles emphasise the importance of working in a constructive manner, free from outdated rules and bureaucratic constraints. It also emphasises the need to be more agile in executing work, which entails being more adaptable and responsive in implementing systems and work processes. Furthermore, he emphasised the importance of public service and civil servants being flexible and perceptive to evolving circumstances and immediate requirements, as well as being receptive to the expectations of the public and stakeholders. This indicates that civil servants must possess the qualities of agility, flexibility, and responsiveness, as well as being equipped with technology, efficiency, and resilience, in order to enhance their performance and fulfil their responsibilities (BERNAMA, Sinar Harian, 1st January 2021).

Administrators in Malaysian public universities must proactively alter the existing state of affairs in order to effectively govern themselves. They should address any uncertainties promptly with efficient management. Agility demonstrates our ability to respond promptly to external changes. The principles of FASTER outlined

in the VUCA world are characterised by being open-ended, simple, and service-friendly (agile), adaptive and sensitive to current needs (streamlined), making creative use of IR4.0 technology/digital (tech-enabled), efficient with minimal cost and maximum results, and excellent in administration and services (resilient). These principles can be implemented by civil servants to effectively deliver services while upholding trust and responsibility (Mimi Rabita, 2021).

Given the aforementioned scenarios, it is worth considering whether university's administrators can enhance their performance by developing digital competency such as (information and data literacy, communication and collaboration, digital content creation, safety, and problem-solving), employee empowerment, teamwork, talent management, and an agile approach, all of which are essential for realising the goals of Shared Prosperity Vision 2030 and Malaysia MADANI aspiration. This study examines the relationship between digital competency (information and data literacy, communication and collaboration, digital content creation, safety, and problem solving), employee empowerment, teamwork, talent management, employee agility, and employee performance.

1.2.3 Digital Competency

The pace of technological advancement, including digital technology, is rapidly increasing because to the progression of Industrial Revolution (IR) 4.0 and other disruptive technologies. Failure to adjust to the evolving global economy will result in Malaysia being left behind. The process of digitalization will lead to an enhancement in both the economy and quality of life in Malaysia. Artificial Intelligence (AI) technology has the capacity to boost Gross Domestic Product (GDP) by as much as 26% in the coming decade. Over time, digitalization will additionally

contribute to sustained economic expansion. The adoption of the digital economy has numerous advantageous options for achieving the long-term objectives defined in SPV 2030 (Malaysia Digital Economy Blueprint, EPU PMD, 2021).

As a result, the Government has devised a strategy for the development of the digital economy by introducing MyDIGITAL in 2020. MyDIGITAL aims to complement national development plans, such as the Twelfth Malaysia Plan (12MP) 2021-2025 and SPV 2030. The digital economy is acknowledged as a vital industry for economic expansion in the pursuit of Malaysia's Sustainable and Inclusive Economic Development Vision 2030 (SPV 2030, 2019). The goal is to ensure sustainable development, fair economic distribution, and inclusive growth according to the SPV 2030 Blueprint of 2019. By utilising MyDIGITAL, Malaysia aims to accomplish the following milestones by 2025;

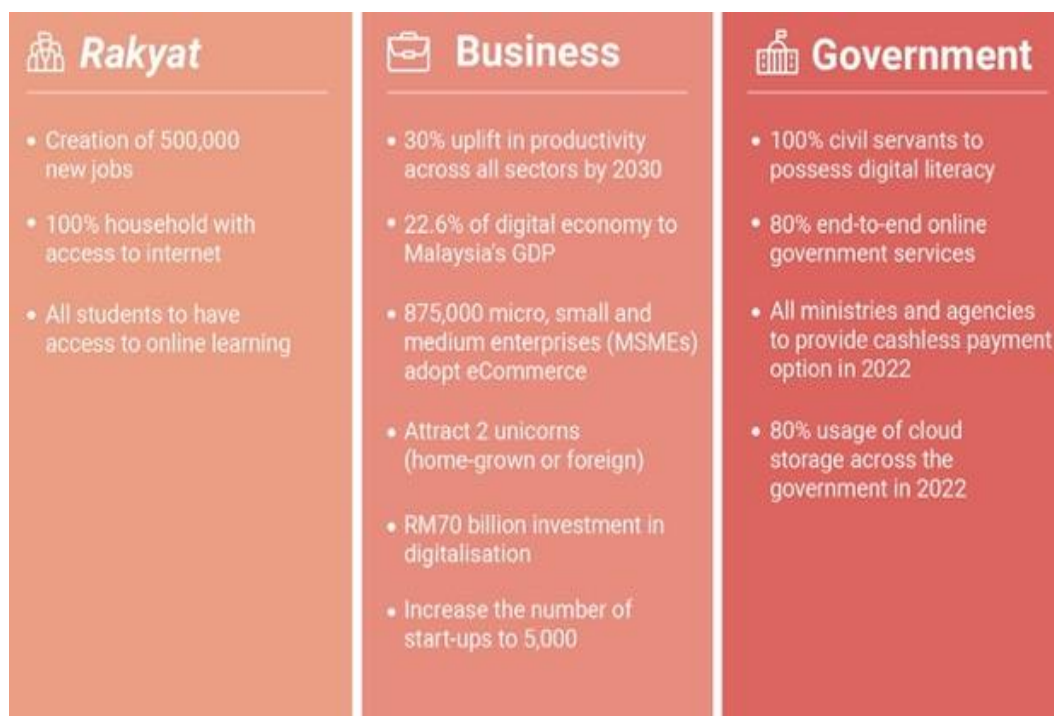


Figure 1.3 MyDIGITAL Targets 2021-2025

Source: Malaysia Digital Economy Blueprint, Economic Planning Unit, Prime Minister Department (2021).

MyDIGITAL delineates the collaborative endeavours and precise outcomes to be attained with regards to individuals, enterprises, and the Government, throughout three phases of execution until 2030. The benefits will be delivered via 6 strategic thrusts, 22 strategies, 48 national initiatives, and 28 sectoral activities as specified in the Malaysia Digital Economic Blueprint. The Malaysia Digital Economy Blueprint delineates the primary goals and strategies as follows:



Figure 1.4 Key Thrusts and Strategies in the Malaysia Digital Economy Blueprint

Source: Malaysia Digital Economy Blueprint, Economic Planning Unit, Prime Minister Department (2021).

The efficiency of MyDIGITAL deployment can be enhanced through collaboration with the public sector. In order for MyDIGITAL to achieve success, it is anticipated that public service would enhance workflow efficiency and productivity by capitalising on digital technology, improving the digital skills of civil servants, exploiting data to enhance government services, and broadening the range of online

services to enhance user experience. The objective of MyDIGITAL is to ensure that all government servants in the nation possess digital literacy skills, as stated in the (MyDigital Blueprint, EPU PMD, 2021).

The successful implementation of the Public Sector Digitization Strategic Plan 2021-2025 will improve the digital capabilities and competencies of civil servants. Continual skill enhancements and re-training will be conducted to ensure federal officials remain up to date with new technological advancements. The training programme will be developed according to the capabilities and competencies outlined in the Digital Government Competency and Capability Readiness (DGCCR) policy framework. The policy framework for delivering people-centred digital services outlines a total of 17 organisational capabilities and eight individual competences (12MP, 2021).

The proliferation and advancement of digitization have led to a heightened need for digital literacy, competencies, and abilities, as evidenced by numerous surveys (OECD, 2014). The European Commission (2018) outlines the fundamental elements of digital literacy and competence across five domains in the Digital Competence Framework 2.0 namely information and data literacy, communication and collaboration, digital content creation, safety and problem-solving.

During the era of the Fourth Industrial Revolution (IR 4.0), university plays a crucial role in enhancing the calibre of human resources. In order to enhance their competitiveness, university strives to improve their performance (Alasiri & AlKubaisy, 2022). The studies conducted by Hackett et al. (2018) and Herman et al. (2018) shown that digital transformation has a favourable and substantial impact on the performance of university. University needs to move in tandem with IR 4.0 which

emphasizes the smart manufacturing aspect, which in the administration of the industry framework 4.0 can be adopted in injecting a smart element of certain processes in administration, thus driving the transformation of university administration (Administration 4.0). The workforce needs to improve its skills in today's technology so as not to be left behind in this tide of change (UMS, 2017).

University must provide training to their staff and students in order to keep up with the latest digital technologies and establish support networks for this purpose. In order to explore novel and inventive approaches to work, it is essential for both staff and students to be provided with a sense of flexibility and autonomy, free from any concerns of negative consequences (Bridgstock, 2016). An adept IT department that assists with digital tools and approaches is crucial for integrating digital knowledge among personnel, academics, and students. In order to remain current with technological progress and fully adopt digital technologies, it is necessary to view the training and retraining of staff, academics, and students as a continuous obligation (King, 2015). These initial measures ultimately contribute to the development of a more agile university.

The research findings indicated that the performance of employees was impacted by their level of digital literacy. In a study conducted by Mohd. Khalid et al. (2019), a significant correlation was found between digital literacy and enhanced employee performance within a technology setting and had a notable influence on employee performance in both organisational and environmental settings. Santoso et al. (2019) found that employees who possess a higher level of digital literacy demonstrate a greater propensity to engage in innovative work practices, which consequently has a positive impact on their productivity. Therefore, it is imperative for administrators to acquire digital competency in order to effectively carry out their

responsibilities and attain their objectives. This in turn is hoped to enhance their performance.

1.2.3(a) DigCom2.1

The Digital Competence Framework for Citizens (DigComp2.1) resulted from the project “Learning and Skills for the Digital Era” that began in 2005 (Carretero et al., 2017). The long-term goal was “to provide evidence-based policy support to the European Commission and the Member States on harnessing the potential of digital technologies to innovate education and training practices, improve access to lifelong learning and to deal with the rise of new (digital) skills and competences needed for employment, personal development and social inclusion. The DigComp2.1 framework is already highly differentiated in concept, encompassing five broad areas of digital competence: (1) information and data literacy, (2) communication and collaboration, (3) digital content creation, (4) safety, and (5) problem solving.

1.2.4 Employee Empowerment

The importance of autonomy in Higher Education Institutions (HEIs) has grown substantially in recent years (Al-haimi, Ab Hamid, & Hujainah, 2018). Autonomy is an increasingly crucial element in enhancing the performance and success of universities. According to Basheer, Daing, and Ab Hamid (2019), Higher Education Institutions (HEIs) face constant pressure to expand and enhance their operations due to the increasing globalisation of society. This demands HEIs to possess agility, adaptability, and responsiveness to change. For universities to accomplish this objective in an effective and efficient manner, autonomy and self-governance are crucial components. Therefore, in acknowledgement of the significance of autonomy

in expediting and enabling the process of institutional change in Malaysian higher education, the government of Malaysia has granted autonomy to a considerable number of public universities (Sufean Hussin, 2019). Public universities in Malaysia were endowed with autonomy in certain operations and commenced prioritising revenue generation, thereby diminishing their dependence on government funding (Kosmo, 2018). The autonomy bestowed upon public universities in Malaysia facilitates streamlined decision-making procedures, diminishes bureaucratic obstacles, and enhances the efficiency of civil servants through the delegation of authority. Therefore, the autonomy possessed by the university allows the management to empower employees especially in decision making.

Numerous studies have demonstrated a positive relationship between employee empowerment and employee performance (Hanaysha, 2016). Empowered employees, who experience a heightened sense of control over their work, demonstrate increased productivity and reduced likelihood of job turnover (Hanaysha, 2016). According to Iftikhar (2017), empowering employees is necessary to accomplish organisational objectives, as it enhances their productivity and effectiveness by making them feel liberated and influential. The research study unequivocally showed that employee empowerment has a favourable and substantial effect on employee performance. Every organisation, regardless of whether it is public or private, should adopt employee empowerment as a strategy to enhance production and efficiency. Mahiswaran et al. (2017) discovered that the level of empowerment among public sector personnel has a substantial impact on the quality of their performance. A study by Nugrahaningsih et.al (2021) also found that employee empowerment has a positive influence on employee performance.

1.2.5 Teamwork

The Public Service Transformation strategy also highlights the implementation of novel work methodologies within the organisation to enhance the capacity of the public service. In order to be competitive, create value, and stay up-to-date, the public service needs to restructure its organisation to be more dynamic, efficient, transparent, and adaptable (Public Service Department, 2017). The government's capacity to execute its goals relies significantly on its proficiency in efficiently disseminating and executing policies. This tool is essential for ensuring the success of the outcomes-based Government activities in formulating and executing the Shared Prosperity Vision (SPV) 2030. Efficiently simplifying and optimising work techniques and procedures, along with monitoring performance using key performance indicators, are crucial for reducing bureaucratic processes in government service delivery (SPV 2030, 2019).

The government encounters a predicament in addressing the perceptions and comprehensions of citizens regarding the inefficiencies in public service delivery, which may result in a lack of trust from the public. If there is a lack of coordination between government agencies and departments, it would result in an escalation in government spending. To achieve effective public service delivery, it is necessary to improve communication channels and streamline government tasks and obligations. This will ensure that government information and policies are accurate and current (SPV 2030, 2019).

Enhancing public service delivery can be achieved through enhanced coordination, collaboration, cooperation and teamwork among various ministries and departments. Civil servants have the option to collaborate in teams either inside their

own organisation or across different divisions and ministries. Yusnita (2020) found that teamwork has a beneficial and substantial impact on enhancing employee performance. Efficient communication is essential to facilitate the seamless operation of activities within the firm. Manzoor et al. (2011) suggest that employees are more productive when working in teams due to the positive influence and encouragement they receive from their superiors. According to Gallie et al. (2009), teamwork promotes the utilisation of employees' knowledge, skills, and capacities, as well as fostering cooperation among co-workers to enhance overall organisational performance. Janet (2013) study revealed that teamwork had a significant positive effect on staff productivity. Armadhan, Joesyiana, and Mar'aini (2023) also found that teamwork has a significant effect on the employee performance where the better the teamwork exist, the more employee performance results. Administrators in Malaysian public universities must consistently demonstrate knowledge sharing, teamwork, transparency, and adaptability in order to progress (Mimi Rabita, 2021).

1.2.6 Talent Management

The enhancement of public service delivery and the efficacy of civil servants is a crucial priority on the national agenda. The Prime Minister has just presented the Twelfth Malaysia Plan (12MP) 2021-2025, which includes a significant focus on enhancing the delivery of public sector services. This objective will be achieved through three priority areas, one of which is the development of high-performance public services (12MP, 2021).

The objective of the 12MP 2021-2025 is to cultivate adaptable, productive, and inventive civil servants by enhancing talent management in order to accomplish these objectives. In order to attract and retain top talent in the future, it is essential to

implement a competitive compensation system and establish a succession plan. There will be an increase in efforts to guarantee that the most talented individuals in the public service are cultivated and kept within the organisation. This will focus on the process of attracting highly skilled individuals, cultivating exceptional leaders, and improving their abilities. Improving the public sector's capacity to recruit and retain skilled personnel will enhance its ability to attract and retain exceptional talent. The idea includes the establishment of a single-entry point into the public service to enhance its efficiency. To optimise placement, the platform will align applicant profiles. In order to enhance psychiatric assessment procedures, integrity and competence assessment components will be incorporated throughout all service schemes. This assessment will occur both prior to and throughout the duration of the work arrangement. In the near future, there will be an implementation of work arrangements that enable individuals with impairments to work full-time in the office. This step will facilitate the process of attracting and keeping highly skilled individuals. (12MP, 2021).

According to the 12MP (2021), public sector employees will be able to use the 360-degree evaluation tool in My Performance. This technology will be implemented across all departments and for civil servants at all levels. The evaluation system will function as the foundation for promoting and appointing individuals to various specialised positions that necessitate certain skills and expertise. In the future, the existing incentive system will be enhanced by the addition of performance-based award packages that are customised to certain service schemes. The utilisation of this strategy will facilitate the retention and acknowledgement of highly competent civil servants. Enhancements will be implemented to separation policy mechanisms in order

to tackle low-performance concerns within the civil service and foster a culture of high performance.

Additionally, a thorough examination of the compensation framework will be conducted to enhance its long-term viability. Continuous education and training are essential for all civil servants to ensure their effective and efficient service to their constituents. Moreover, enhancements will be made to the Human Resource Development Programme (HRDP) to transform it into a strategic tool for cultivating exceptionally skilled public officials with the capacity for innovative and analytical thinking. In order to achieve this goal, a new talent information submodule will be incorporated into the Human Resource Information Management System (HRMIS). This approach will enable ministries and agencies to select the most qualified individuals for certain positions. Furthermore, HRMIS will provide civil servants with the opportunity to acquire expertise and acquire novel proficiencies that will facilitate their progression in their professional trajectories (12MP, 2021).

The Ministry of Higher Education (MOHE) has issued recommendations to the Higher Education Institutions (HEIs) in Malaysia through the University Transformation Programme (UniTP). The Talent Framework consists of four cores: Establishing a Talent Ecosystem to Foster Excellence, Embracing the Changing Education Landscape, Recognising Different Attributes of Talent Excellence, and Aligning Talent Aspiration to Institutional Mission (MOHE, 2021).

According to Kravariti and Johnston (2019), public sector talent management refers to the adoption of important procedures to guarantee that public sector employees possess the necessary skills, knowledge, and fundamental principles to tackle intricate modern challenges and accomplish strategic objectives for the common

welfare. Vladescu (2012) states that talent management is crucial for the success of an organisation, particularly in the public sector where there is often a shortage of skilled individuals. Khalil, Ihsan and Khel (2022) found that there is a positive correlation between talent management and employee performance.

1.3 Research Problem

Malaysia aims to attain expeditious and enduring economic expansion and comprehensive economic allocation to all citizens, and construct a harmonious, successful, and cohesive nation-state through the Shared Prosperity Vision 2030 (SPV 2030). This vision has led to the identification and development of new economic sectors, which aim to propel the economy and generate economic possibilities and high-paying jobs for individuals. This vision aims to mitigate the economic imbalances among different income groups, ethnicities, regions, and supply chains, ultimately transforming Malaysia into a developed nation. The dedication of the Government, particularly the public service, is crucial in achieving this aim. Civil servants, as the fundamental pillar of the public service and the Government, must take the lead in ensuring the seamless execution of endeavours to realise this goal. The performance of civil servants is vital in order to ensure their ability to provide excellent services and fulfil the expectations of the public. The Public Service of Malaysia, serving as the executive branch of the government, plays a pivotal role in aiding the progress of the country. Consequently, the government is consistently reforming the public service. However, Malaysia's public service has been consistently reported to have inadequate performance (World Bank, 2019).

According to the Malaysia Economic Monitor (MEM) by the World Bank (2019), Malaysia's public sector performance on the Government Efficiency indicator is considerably less remarkable compared to other high-income nations in the OECD. The OECD average and other high-income nations fall behind it in terms of this indicator (Figure 1.5) and it has shown no significant growth in recent years (Figure 1.6). Malaysia's governance and public service performance have shown no signs of improvement, prompting concerns about the adequacy of the public sector's personnel and resources to address the country's evolving requirements (World Bank, 2019).

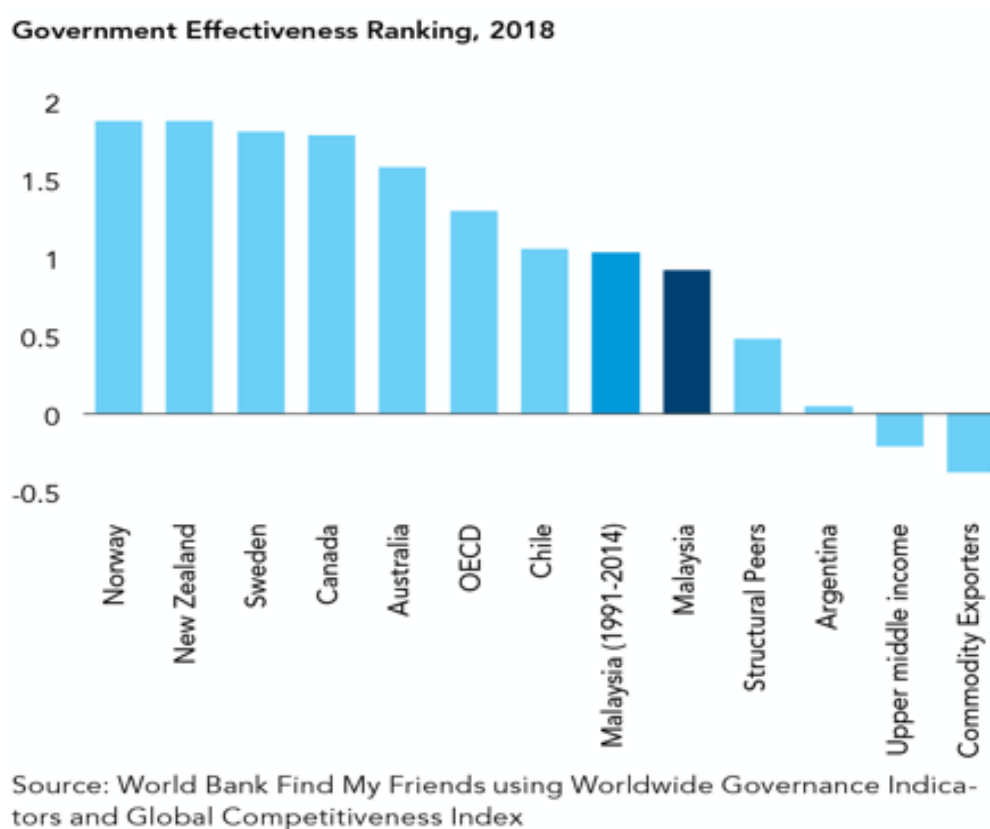


Figure 1.5 Government Effectiveness Ranking 2018

Source: Malaysia Economic Monitor (MEM), World Bank (2019).

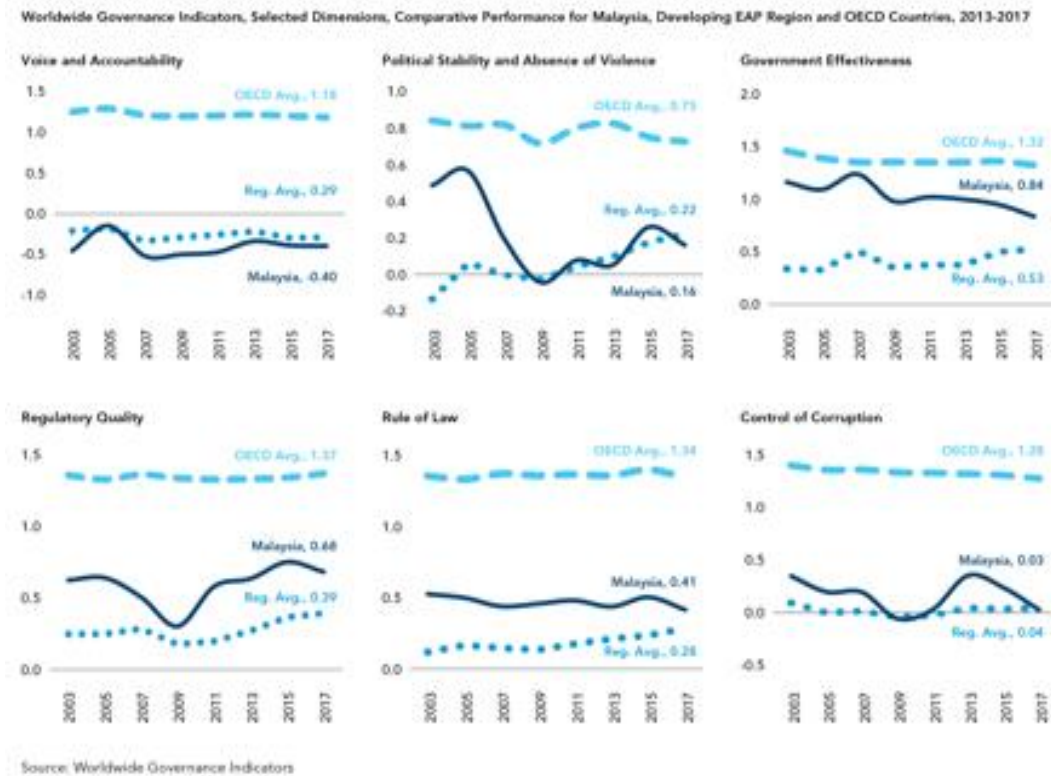


Figure 1.6 Worldwide Governance Indication, Selected Dimension, Corporate Performance for Malaysia, Developing EAP Region and OECD Countries, 2013-2017

Source: Malaysia Economic Monitor (MEM), World Bank (2019)

1.3.1 Short of Performance Among Administrators

The term "performance" pertains to the outcomes attained by proficient individuals in particular circumstances (Prasetya & Kato, 2011). An employee's performance is determined by their job achievements, which are influenced by a meaningful work environment, an engaged profile, and supportive co-workers/employers (Karakas, 2010). The performance of an organization is intricately tied to the efficacy of its workforce. An employee's performance can be measured using several criteria, such as output, efficiency, effectiveness, and productivity. Work performance is determined by the synergy of three factors: skill (comprising knowledge, abilities, and competences), effort (reflecting the employee's level of

motivation), and the work environment (measuring the degree of accommodation provided to the employee).

Pradhan and Jena (2017) have identified three elements of employee performance: task performance, adaptive performance, and contextual performance. In the context of public service, civil servants are often perceived as underperforming, despite the significant expectations placed upon them to deliver exemplary performance. Tan Sri Khairul Adib, the Director-General of Public Service, has criticised the negligent behaviour of civil servants in doing their duties. According to him, civil servants were observed neglecting their responsibility to assist the Government in generating and enhancing the nation's economy, instead solely anticipating promotions. However, they exhibit a lack of diligence, refuse to assist, and adhere to outdated practices, while solely anticipating advancements in their career (BERNAMA, 27th May 2021).

Furthermore, the Public Complaint Bureau (PCB) of Malaysia has recorded a substantial surge in the number of complaints received in 2022, totaling 16,652 complaints. The Public Complaints Bureau (PCB) was established in 1971 to address grievances lodged by individuals regarding the performance of public service entities. The PCB conducts investigations into complaints lodged against the public service regarding instances of maladministration that have led to dissatisfaction. The focus is on any unjust administrative government activity, regardless of whether it violates existing rules and regulations. This includes abuse of power, misbehaviour by civil officials, delays or failure to provide services, absence of public facilities, and other inefficiencies (<http://www.pcb.gov.my>). The increasing number of complaints received indicates the inefficiency of public service and the subpar performance of

civil servants. Figure 1.7 below shows the number of complaints received by Malaysia's Public Complaint Bureau from 2018 to 2022.

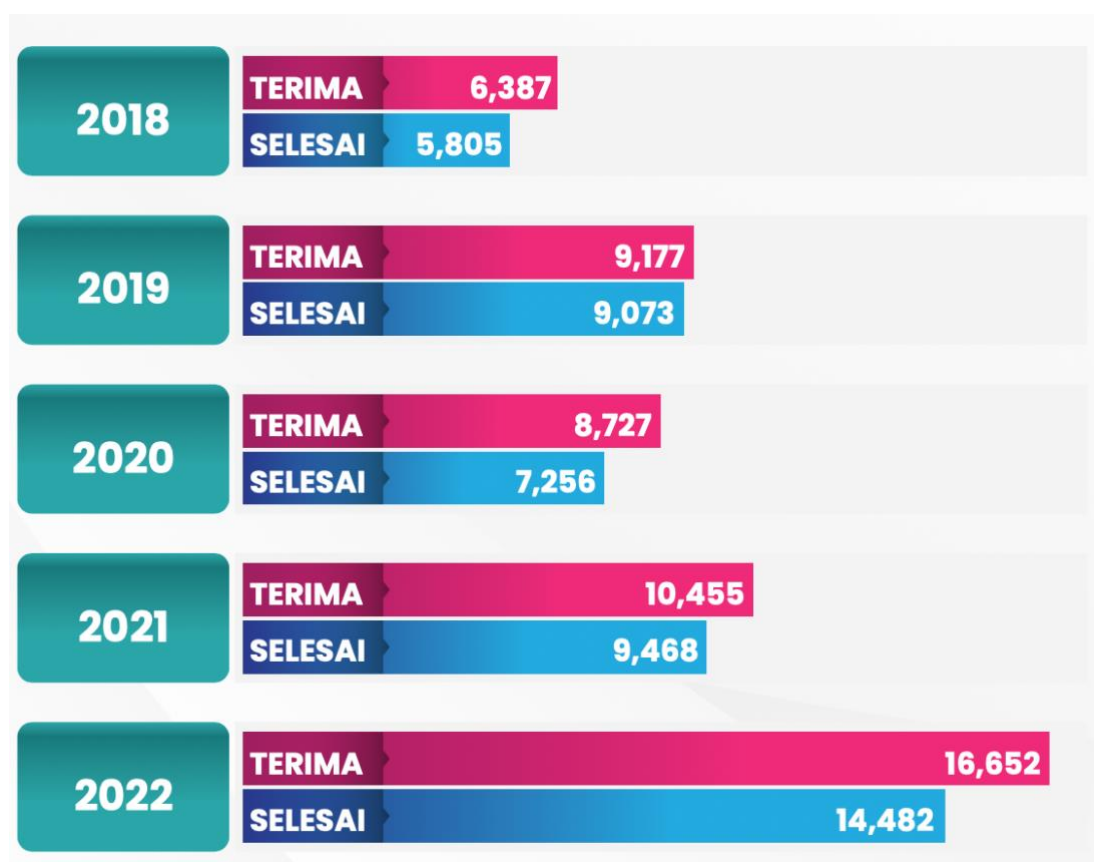


Figure 1.7 Complaint Received by Malaysia's Public Complaint Bureau from 2018 to 2022

Source: Annual Report 2023 Public Complaints Bureau, National Governance, Integrity, and Anti-Corruption Centre (GIACC), Prime Minister's Department.

Tan Sri Mohd Khairul Adib, the Director-General of Public Service, said that over 15,000 civil servants availed themselves of counselling services by September 2020. According to him, inadequate treatment of psychological difficulties can lead to negative physical effects, such as increased stress, illness, and worse job performance. Furthermore, this has adverse consequences for the job performance of government employees (BERNAMA, Berita Harian, 5th November, 2020).

In 2019, Datuk Azih Muda, the Former President of Congress of Unions of Employees in the Public and government Services (CUEPACS), stated that approximately 25 percent of Malaysia's 1.6 million government servants experienced work-related stress. In addition, he emphasised that CUEPACS regarded the issue with great concern due to their apprehension that stress may lead to depression and subsequently result in reduced productivity among civil personnel (Firdaus, Astro Awani, 3rd June 2019). Work stress was a contributing factor that hindered employee performance (Christy & Amalia, 2018). Studies by Ahmad et al. (2018), Yani and Dwiyaniti (2017), Yunita and Saputra (2019) have consistently found a correlation between work stress and employee performance. The aforementioned circumstance unequivocally demonstrates that civil servants are encountering subpar performance.

In the realm of higher education, the paramount importance is in the quality of education, as it directly influences the calibre of graduates that will emerge in the future. Arumugam (2021) provides proof that the Malaysian government prioritised the enhancement of the higher education sector. The 12MP is aligned with the objective of enhancing the higher education system's growth between 2021 and 2025. In addition, the Ministry of Higher Education (MOHE) has been granted a budget of RM14.5 billion by the government to enhance and enhance the quality of education. This initiative will have a positive impact on both graduates and students (Arumugam, 2021). In addition, the 12MP signifies the rise or enhancement of Malaysia's high-quality education system. However, there are currently numerous issues evident in various higher education agencies, including public universities, private learning institutions, TVET institutions, and others. The senior leadership in MOHE aims to implement this strategy in order to achieve sustained socio-economic development and enhance the nation's competitiveness by being more enduring, adaptable, and robust