

# **THE INFLUENCE OF ATTITUDE, REWARDS, TRAINING AND WORKING ENVIRONMENT ON EMPLOYEES' PERFORMANCE**

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Received Date: 14 February 2019

Accepted Date: 18 April 2019

Available Online: 30 September 2019

## **ABSTRACT**

*This paper attempts to understand employee's performance in the Malaysian public sector. There are two objectives of the study. Firstly, is to examine the influence of training, reward, attitude and working environment on employees' performance; and secondly, to identify the most significant factor (training, reward, attitude, and working environment) that influences employees' performance. This study examined the factors that influence employees' performance at a government office in Kelantan. Using convenience sampling and self-administered questionnaires, data from 85 employees were analyzed using Pearson Correlation and Multiple Regression Analysis. The results indicated that out of four variables that had been chosen, only training influences employees' performance. The study recommended for a bigger sample size. The study also suggested using longitudinal study for future research. Another suggestion is to use qualitative study with in depth interviews to gauge better understanding between variables.*

**Keywords:** *Employees' performance; Working environment; Training; Attitude; Reward*

## **INTRODUCTION**

Employees' performance can be defined as the ability of employees to accomplish the expectations or goals of their organizations (Farooqui S and Nagendra A, 2014; Aragon B.I.M, Jimenez D.J, Valle S.R, 2014; Zainab and Khairunnisa, 2015). Under-performed workers give bad impact on organizations and can reflect their organization overall performance (Purnama, 2017). Therefore, organizations strive to retain and recruit effective employees in order to have a strong standing in the industries (Adenyi C et al, 2018 and Pawirosumarto, Sarjana and Muchtar, 2017).

Employees' performance in the public sector is closely scrutinized by the public and the stakeholders. Thus, it is important that public sector employees be given ample opportunities to improve their performance. With that in mind, this study intends to examine the factors that could enhance employees' performance in the government agencies. A government agency in Kelantan has been chosen to achieve this purpose. Observations were conducted from July to November 2017 in this agency. Based on the observation; the attitudes of employees towards training programs were not favourable. Thus, this limits the chance to change the employees' behaviour and skills. Although, employees training and attitudes do have direct impact on performance, many organizations tend to ignore the problem (Ibrahim, Boerhannueddin and Kayode, 2017; Aragon M, Jimenez, and Valle, 2014; Silla, 2014). Additionally, the matters of low commitment and weak management skills were also found in the government agency. The lack of employee commitment and refusal to enhance current skills can be linked to the deficiency of supportive reward system in the organization (Gungor, 2011). This paper concentrates on employee's performance and its relationships with training, working environment, attitude and reward (Purnama, 2017; Ibrahim, Boerhannueddin and Kayode, 2017; Watanabe et al, 2017; Nurfaizzah et al, 2016; Mangkunegara and Waris, 2015; Al-Sinawi, Chua and Idris, 2015; Aragon M, Jimenez, and Valle, 2014; Sila, 2014; Nina Munira and Mohammad, 2013; Johlke and Iyez, 2013). Since this framework had not been extensively reviewed, this paper attempts to understand employee's performance in the Malaysian public sector. There are two objectives of the study:

- To examine the influence of training, reward, attitude and working environment on employees' performance and;
- To identify the most significant factor (training, reward, attitude, and working environment) that influences employees' performance

## **LITERATURE REVIEW**

This paper focuses on employees performance with four variables chosen based on previous studies, namely: training, reward, attitude and working environment. Theories based on management theories that focus on Path-Goal theory on leadership and expectancy theory in motivation.

## **Employees' Performance**

Employees' performance can be described as how individuals take actions and contribute to behaviors that are in line with organizational objectives (Zainab and Khairunnisa, 2015). Purnama (2017) defined employees' performance as execution of duties and responsibilities by employees at the workplace. He further stated that individual's ability, level of the work done and support from the organization affects employees' performance. He also mentioned that employees' performance can be improved if these three factors are present and can decline if one of these factors is missing. This is in line with Nina Munira and Mohammad (2013) findings that state performance is the results of a person's ability, desire and environment. Mangkunegara and Waris (2015) measured employees' performance based on attendance, work target, responsibilities, initiative and teamwork whereas Purnama (2017) measured employees' performance in terms of quality, quantity, efficiency and accuracy. Therefore, in this study, employee performance is measured by the extent to which the workers complete their task, take responsibilities, take their job seriously, avoid making mistakes, deliver high quality work and meet the requirement set by the agency.

## **Working Environment**

Working environment can be classified as a composite of three major sub environments namely the technical environment, the human environment and the organizational environment. Technical environment refers to tools, equipment, technical infrastructure and other physical or technical elements. It creates conditions that enable employees to perform their responsibilities and activities efficiently. Human environment refers to interaction between employees and their peers, supervisors, subordinates, team members and management. Human environment is designed to encourage informal interaction in the workplace and aimed to develop productivity through exchange of ideas and knowledge sharing. Organizational environment includes system, procedures, practice, values and philosophies; and management tends to have control over this kind of environment. Organizational environment is measured by wages, working hours, opportunity advancement and two ways communication at work (Nina Munira and Mohammad, 2013; Watanabe et al, 2017). When working environment is not conducive, employee performance will be adversely affected, thus, the image of the organization can be diminished since employee performance will reflect organization effectiveness (Chandrasekar, 2011). He later discussed that organization needs to create working environment that encourage employees' productivity in order to increase their profit and customer satisfaction. Many studies have related high productivity and employees' performance to workplace environment (Watanabe et al, 2017; Chandrasekar, 2011). Therefore, improving the working environment will have positive impact on employees' performance. Hence, the study will focus on physical facilities, furniture, temperature and spacing as the working environment. This study proposes that:

H1: Working environment significantly influences employees' performance

## **Training**

The relationship between training and employees' performance is based on system theories and also learning theories (Ibrahim, Boerhannueddin, and Kayode, 2017). The system theory posits that a system is a cohesive conglomeration of interrelated and interdependent

parts which cannot be viewed separately. Thus, anything that happens in a system will greatly impact the employees. Thus, training syllabus, training methodology and the trainers' effectiveness could have significant impact on the employees. Past researchers accentuate that training improves organizational performance by creating a workforce with vast knowledge and skills (Aragon, Jimenez and Valle, 2014). Hence, training plays a vital role in enhancing human capital which could be translated to employees' performance and firm's knowledge (Aragon, Jimenez, and Valle, 2014). Even though the general consensus agreed on the positive effect of training on employees' performance (Ibrahim et al, 2017; Al-Sinawi, Chua and Idris, 2015; Sila, 2014), the empirical research on training and performance does not often provide positive evidence on such relationship (Aragon, Jimenez, and Valle, 2014). Aragon, et al (2014) stated that the relationship between training and performance is indistinct because the existence of mediation variables such as organizational learning. Therefore, this paper will focus on the influence of training on employees' performance and measure training based on the availability of comprehensive policies on training, variety of training programs, problem solving training program and whether the training programs are related to the employees' current job. Thus, the second hypothesis of this paper suggests:

H2: Training influences employees' performance.

### **Attitude**

Based on many management books, expectancy theory has clearly identified the relationship between attitude and performance. The theory provides an explanation as to why an individual chooses to act out a specific behavior as opposed to another. Thus, employees' attitudes are shaped in a certain way based on the outcome that the employees expect would result from the selected behavior. Attitude can be defined as an unobservable cognitive constructs that are socially learned, socially changed and expressed as mentioned by Terry and Hogg (2000) in Sila (2014) study. Attitude can affect performance (Johlke and Iyer, 2013). Many studies that focus on job attitude and performance have been extensively debated and researched. Consequently, there is a robust evidence that employees' attitude have a positive relationship with the organizational performance and employees' performance (Nurfaizzah et al, 2016; Johlke and Iyer, 2013). In this study, employees' attitude is operationalized as the employees' feeling toward their company's mission, executive leadership, working place and management team. Hence, the third hypothesis of this paper proposes:

H3: Attitude influences employees' performance.

### **Reward**

Basically, performance and rewards are inseparable. Performance and reward strategies are driven by the concept that employees put in their maximum effort every day with the desire to be compensated either financially or non-financially (Gungor, 2011). Based on management theories in management books, the relationship between performance and rewards can be explained through Path Goal Model Theory of leadership and Herzberg Two Factor Theories on Motivation. Both theories agreed that motivation come when employees believe they are rewarded equally and adequately (Ibrar dan Khan, 2015). Reward includes financial and non-financial rewards which could be in the form of salary increase, bonuses, promotions, responsibility, comfortable environment at the workplace, recognition and so forth (Ranjan and

Mishra, 2017). The main objectives of rewards are to attract and retain employees, motivate employees to achieve high level of performance and elicit and reinforce desired behaviour of the employees. The present of financial reward such as money will not be a great motivation but the lack of it will be a great de-motivator (Ranjan and Mishra, 2017; Ibrar and Khan, 2015). In this study, reward is measured by prompt salary, fair package, benefits, allowances and consistent policy i.e comfortable workplace environment. Thus the forth hypothesis of this study proposes that:

H4: Reward influences employees' performance.

## RESEARCH METHODOLOGY

### Sampling

Data were collected through self-administered questionnaire in a government agency in Kelantan. 85 out of 90 respondents returned the questionnaire which yielded 94.44 percent response rate. The sample size is appropriate based on Krejcie and Morgan (1970) table. The sample was selected using convenience sampling. The instrument had been divided into two sections and adapted from various model (Peng, 2014; Samson, Waiganjo and Kolma, 2015; Chen and Huang, 2009; Adsit et al., 1996; and Iii and Schwan, 1985). The first part of the questionnaire consisted of demographic questions on age, gender, education levels and income levels. The second part of the instrument were designed using five Likert scale where 5 is strongly agree, 4 agree, 3 neutral, 2 disagree and 1 is strongly disagree. This section involved measurement of the independent variables namely training, attitude, reward, and working environment, as well as the dependent variable which is the employees' performance. All the data were analyzed using Pearson Correlation and Multiple Regression Analysis. All the information and identity of the respondent were treated as confidential and used for learning purposes only.

## FINDINGS

### Frequency analysis

Table 1 Demographic profile

Profile	Frequency	Percent (%)	Profile	Frequency	Percent
Gender			Income Level (RM)		
Male	56	65.9	1000-3000	35	41.2
Female	29	34.1			
Age			3001-6000	41	48.2
21 - 29	5	5.9			
30 - 39	33	38.8	6001-9000	8	9.4
40 and above	47	55.3			
			>9000	1	1.2
Education					

Master	1	1.2	Marital Status		
Degree	8	9.4	Single	8	9.4
Diploma	39	45.9	Married	65	76.5
SPM	35	41.2	Divorced	12	14.1
Others	2	2.4	Widower	0	0.0

N = 85

Table 1 presents that more than half of the respondents were male (65.9%) and majority of the respondents were 40 years old and above (55.3%). Almost half of the respondents were diploma holders (45.9%) and majority of the respondents were in the income bracket of 1000-3000 and 3001 – 6000 (89.4%). Table 1 also indicated that majority of the respondents are married (76.5%).

### Reliability analysis

**Table 2 Reliability analysis result**

Variable	Number of items	Cronbach's Alpha
Employees Performance	5	0.786
Training	5	0.825
Attitude	5	0.651
Reward	6	0.814
Work Environment	5	0.736

Table 2 shows that all the five variables in this study had the Cronbach's Alpha value of more than 0.60. This indicated that items used to measure the variables were reliable and consistent (Hair, 2006).

### Descriptive analysis

**Table 3 Descriptive analysis result**

Variables	N	Mean	Standard Deviation
Employees Performance	85	4.207	0.534
Training	85	3.581	0.633
Attitude	85	4.209	0.498
Reward	85	4.167	0.513
Work Environment	85	3.849	0.533

Table 3 indicated that on the average respondents tended to agree with the statement given for each variable with attitude recorded the highest mean at 4.209.

**Correlation analysis**

**Table 4 Correlation analysis result**

Variables		Training	Attitude	Work Environment	Reward
Employees Performance	Pearson Correlation	0.506**	0.243*	0.253*	0.274*
	Sig. (2 tailed)	0.000	0.025	0.019	0.011
	N	85	85	85	85

\*Correlation is significant at the 0.05 level (2-tailed)

\*\* Correlation is significant at the 0.01 level (2-tailed)

Pearson Correlation Analysis was used as a preliminary analysis to measure the relationship between the independent variables and the dependent variable. Based on Table 4, there were positive but weak relationships between employees' performance and the independent variables namely attitude, reward and working environment. The above table also showed that training had moderate relationship with employees' performance.

**Multiple regression analysis**

**Table 5 Multiple Regression Analysis Result – Employee Performance as the Dependent Variable**

	Beta Coefficients	t	Sig.	VIF	Hypothesis Supported?
(Constant)					
Training	0.436	4.504	0.000	1.094	Yes
Attitude	0.153	1.602	0.113	1.062	No
Work Environment	0.085	0.516	0.607	3.200	No
Reward	0.133	0.797	0.428	3.242	No

R2 =0.316, adjusted R2=0.281, F value = 9.227 P≤ 0.05

Multiple regression analysis was conducted to measure the influence of training, attitude, reward and working environment on employees' performance. The research model had a variance inflation factor (VIF) of less than 10. This indicated that no serious multicollinearity was found in this study. The analysis concluded that there was a significant relationship between training and employees' performance. Conversely, there were no significant relationships between attitude, working environment, reward and employee performance. The model was significant at p ≤ 0.05 level (p=0.0000). The coefficient of determination (R2) was 0.281. This explained that 28.1 percent of employee performance could be explained by the independent variables. Next is standardizes measures (Beta Weights) which represented the strength of each dimension associated with employees' job performance. β is the value of the regression equation for predicting the dependent variable from the independent variables. The result of the four independent variables are work environment (β 0.085, p<0.607), attitude (β 0.153, p<0.113), training (β 0.436, p<0.000) and reward (β 0.133, p<0.428). This result indicates that training has the highest Beta value thus represent the most critical factor in predicting employees' performance. From the analysis, it can therefore be concluded that only H2 were supported in this study.

## **CONCLUSION**

The study had achieved its main objectives to analyze the influence of training, attitude, reward, and working environment on employees' performance. The analysis had identified that training is the only factor that influence employees' performance and it the most critical factor in predicting employees' performance. Hence, organizations need to improve their training program. Apart from that, proper training on emotional intelligence are needed to help the employees gain knowledge and ability to translate their emotional intelligence into relational selling behavior which can be useful for carrying out their job. This helps employees to better handle their job which can lead to the improvement of job performance.

## **DISCUSSION**

Although reward, working environment and attitude were deemed important by other researchers (Purnama, 2017; Ibrahim, Boerhannueddin and Kayode, 2017; Watanabe et al, 2017; Nurfaizzah et al, 2016; Mangkunegara and Waris, 2015; Al-Sinawi S, Y.P Chua and Idris A.R, 2015; Aragon, Jimenez, and Valle, 2014; Sila, 2014; Nina Munira and Mohammad, 2013; Johlke and Iyer, 2013) this study had proven otherwise.

There are many assumptions on why the results do not concur with previous researchers. Firstly, is the nature of the government agencies that reward employees based on fixed yearly increments. Thus, employees feel complacent as their pay, pensions and benefits are secured. Secondly, in terms of the working environment, government agencies provide comfortable work place and safe environment for their employees. Additionally, the relationships between superiors and subordinates are paternalistic in character. Lastly is the culture surrounding the government agencies. Each state has different culture in term of the social behaviour and norms found in human societies. Government agencies are high in collectivism as compared to individualism culture. In individualistic organizations, people are responsible for themselves and initiative is valued; also, people have relatively weak ties with their organization, therefore they need to excel in the tasks given to them. However, in collectivist organizations, a person's identity is based on their group membership, so they value tight social frameworks and have a sense of belonging to their organization. Sometimes, in collectivist organizations, the colleagues will cover the scope of jobs for their friends so that organizational goals could be achieved.

The main limitation of this study is that it only focuses on only one organization, thus, this could be another explanation as to why the results differed from previous studies (Navimipour, Milani, and Hossenzadeh, 2018; Purnama, 2017; Ibrahim, Boerhannueddin and Kayode, 2017; Watanabe et al, 2017; Nurfaizzah et al, 2016; Mangkunegara and Waris, 2015; Al-Sinawi, Chua and Idris, 2015; Aragon, Jimenez, and Valle, 2014; Sila, 2014; Nina Munira and Mohammad, 2013; Johlke and Iyer, 2013; Gungor, 2011)

## **IMPLICATIONS FOR FUTURE RESEARCH**

This study attempts to identify factors that influence employee performance in Malaysian government agencies. However, the study only focuses on four variables namely training, rewards, working environment and attitudes. Subsequently, the study is not able to fully



investigate the framework of employees' performance. Therefore, other variables that can be categorized into psychological, physical, external factors and spiritual factors can be introduced in the framework. The study sample size could also be expanded to include government agencies from different states in Malaysia. Since most studies done on employee performance are from quantitative perspectives, future research can include qualitative structure to get in-depth views of the respondents in order to understand the relationships between attitudes and performance. In addition, future research can include comparison study between government agencies and private sector organizations in order to identify factors that influence employees' performance in their respective environments. As for conclusion, employees' performance is positively related to training. In order for the organization to be on top of its game, effective training programs need to be part of the organization strategies. As reward, attitude and working environment are found to be insignificant in this study, it is important for organizations to identify the push factors that can better elevate their organizations.

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