

HOW PRIVATE SECTOR REMAINS SUSTAINABLE DURING PANDEMIC COVID-19? A CASE STUDY IN MALAYSIA

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Abstract

The pandemic Covid-19 had been recognized to give a dramatic impact to the health and economic growth of the world. By having an unsecured capital operation to face the challenges, it is hard for the private sectors specially to keep sustained in the industry for the long term. With that, the aim of this study is to identify the impact of motivational factors towards the job sustainability among the private sector employees in Malaysia during the pandemic Covid-19. The motivational factors were divided into work environment, extrinsic benefits, autonomy, and transparency. Based on the survey to the 52 respondents with the multiple regression analysis, it showed that all the independent variables have a significant impact to the job sustainability. The result of this study helped the managers of the private sectors identifying the contributing motivational factors to ensure the job sustainability during the pandemic. The Government can structure an initiative to help the private sector employers having a secure economic growth in the unprecedented situation. By having an enriched analysis on the motivational factors to the job sustainability especially in the private sectors, it will be contributed to the body of knowledge. It is hoped that the future study can develop the variables to be examined in the job sustainability and make a comparison between public and private sectors.

Keywords: motivational factors; work environment; extrinsic benefits; autonomy; transparency.

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Introduction

The COVID-19 pandemic is unexpected in its global impact, forcing formidable challenges towards the economic. The pandemic is global shock because the economic growth is interconnected to both supply and demand. Certain countries implemented lockdowns, reduce the number of employees for the social distancing and close business operations. The tragic situation is expected to be prolonged for the 2 years. In 2018, Malaysia's private sector is continually recognized to lead the country towards becoming a high-income economy and to achieve developed nation status. With the supported role of Government and private sector will pursue the economic diversification (Yusof & Mohamad, 2018). The hardship of private sector are they raise money by private people or organization, not through the public revenue. The private sector raises money from issuing shares, debentures and taking loans. Meanwhile the employees in the private sector have to compete among them to have a good salary package and promotion.

As for now, the 12th Malaysian Plan (2021-2025) did not release yet due to the Covid-19 situation and the plan is supposed to be prepared before 2021. In the 11th Malaysian Plan, the initiatives taken by the private sectors are in helping the B40 household's areas. The private sectors, especially multinational corporations (MNCs) and large local companies allocated their businesses operations in urban and rural areas with majority B40 households to provide better job opportunities for their local communities,

especially high paying jobs. In addition, Government had collaborated with the private sectors through “Back to work” programmes to encourage qualified woman who have been out of the workforce due to the family or other commitments. The strategy taken in the Malaysian Plan is by empowering Bumiputera economic community by reducing financing to low-value added and non-strategic industries, intensifying entrepreneur financing programmes, and enhancing development-oriented and integrated programmes for Bumiputera enterprise (Eleventh Malaysia Plan, 2015).

Based on the latest employment statistic for the third quarter in 2020 that had been published by the Department of Statistics Malaysia (DOSM) proved that the total jobs in private sector had been dropped by 181 thousand to 8.471 million jobs as compared to 8.652 million in the same quarter of the preceding year. The pandemic covid-19 wrought havoc on the Malaysian economy and forced the businesses of private sectors to cut spending. The people who are affected the most by Covid-19 are private sectors in comparing to the public sectors. Based on the Budget 2021 that had been announced by the Minister of Finance Malaysia, it seems that the allocation is more to the public sectors, even though they are remained employed and still have income.

When the country faced the economic crisis, the outmost impacted is the jobs availability. Even though the crisis is health related, but the restriction movement order made by the Government forced the businesses to be shut down and people will be unemployed. However, Government had come up with the wage subsidies to help as much as possible, but it all depends on the business’ sustainability. The implications of high employment are increasing household debt. It had been reported that Malaysia’s household debt as a share of gross domestic product is high compared to global emerging market. The household would find it difficult to accomplish their debt if they are having insufficient income. Consequently, the household will have a less consumption on the goods and services and it will slower the economic growth (McKibbin & Fernando, 2020).

The private sectors also play a vital role in Malaysian economic, especially during the pandemic. The collaboration of public and private sectors can ensure a strong economic growth and able to help the community. Due to the limited sources especially during the pandemic, the sustainability of private sectors growth is become worrisome to the employers and employees. In particular, the private sectors such as aviation, tourism and hospitality are adversely affected. In addition, more than 290,000 young Malaysians who graduate annually will find it challenging to be employed at this time around. This crisis is and will continue to be a challenge for all. One of the examples is in United States, the unemployment rate is about 14%, which is more than the Malaysian population (Mohamed, 2020).

Work environment

Work environment has proved to be one of the motivational factors at workplace other than basic salary, recognition, and career advancement (Lorincová et al., 2019). It is necessary and purposeful process to build a working environment that helps fulfil the aspirations, interests and needs of employees as well as stimulates the employees’ action in a appropriate way (Lorincová et al., 2019). According to Delmas & Pekovic (2016) emphasized that certain degree of moral stress can be controlled by creating a more ethical and supportive work environment. Other than that, social interaction, and the level of pay satisfaction may buffer the negative effect of job burden on sustainable innovation.

Extrinsic benefits

An extrinsic reward is a visible reward such as a bonus, salary increment, awards, public recognition as well as promotion that given to the employee for their achievements (The Economic Time, 2021). Rewards are essential to be given to the employees to keep them motivated in performing their job responsibilities. This was supported by research conducted by Mohamed Taufek & Zulkiflie (2016) stated that the right rewards system or pay to the right individual, it could make the employees to turn out to be more driven and encouraged, and afterward will turn out to be more engaged into their work. Motivation is one of the factors that causes the employees to contribute the best to the company they work with.

Job Autonomy

According to Zhou et al. (2019), job autonomy anticipated employee's self-development, and intrinsic of employees' motivation completely mediated the relationship. Job autonomy is the level of opportunity, watchfulness and freedom of employees could have when allotting time, choosing working strategies, and other perspectives at work (Zhou et al. 2019). It shows that job autonomy would expand employees job roles, improve intrinsic motivation, organizational responsibility, work fulfilment, work execution, and lessen absenteeism, stress, and burnout. When employees are enriched with high autonomy, they would be exceptionally energetic and inclined to take on more responsibilities. According to Gözükarar and Çolakoğlub (2016) also agreed that job autonomy is significant resources that is portrayed by the degree to which the work permits people to choose and decide on how to design their tasks and achieve them.

Transparency

Transparency of organization and employees are crucial to improve the trust and confidence. Based on the research conducted by Jiang & Luo (2018) stated that transparent communication in an organization significantly influenced the level of trust that the employees have towards the organization that they are working with. Authentic leadership also lead the employee's engagement through transparent communication. Transparency cannot satisfy the stakeholders' needs unless an organization understands their information needs (Jiang & Luo, 2018).

Job Sustainability

The employees job satisfaction on the job sustainability are varied on the age of the employees. The younger employees opined that they are having a less secure employment position and shorter careers compared to the older employees. Adding that, most of the employees believed that working in public sectors helps the economy more than working in the private sector (Daleure, 2016). A study by Lange (2021) emphasised that the higher job satisfaction ensures a job sustainability. In comparison between the sectors, the employees in the private sector are generally less satisfied than in the public sector. For the gender differences, the study proved that men and women attributes on the job satisfaction is different, such as working hours, education, and marital status.

Methods

Study Area

The method of this study is through the quantitative analysis. According to Babbie (2010), quantitative methods emphasize objective measurements and the statistical, mathematical or numerical analysis of data that are collected from polls, questionnaires, and surveys. The method focuses on gathering numerical data and generalizing it across groups of people to explain a particular phenomenon. For the sampling technique, the appropriate technique is homogeneous technique. In homogeneous sampling, all the items in the sample are chosen because they have the similar or identical traits. A homogeneous sample is chosen when the research question that is being address is specific to the characteristic of the particular group of interest (Lund Research, 2012). The sample of this study composed of the private sector employees working in Malaysia, referring to the organizations that have a strategy and mission for the profit activities whether by production of goods, provide the services or commercialization. There is no limited group of private sectors for this study, as it is including the financial institutions and intermediaries, small and medium-sized enterprise (SMEs), individual entrepreneurs, farmers, co-operatives, and large corporations, which operate in the formal and informal sectors. The definition of private sectors excludes independent foundations, non-governmental organizations (NGOs), and civil society organizations (including business associations) (Bella et al. 2013). As the aim of this study is to investigate the private sectors job sustainability especially during the pandemic, the respondents are collected from the private sectors employees in Malaysia. The survey was distributed through online platform for the respondents.

Result and Discussion

The demographic profiles of the respondents were divided into four parts, which are on the gender, marital status, age and employment sector of the respondent. Based on the gender, female employees were dominated by having 80.8% population. Most of the respondents were married and they are having the age range from 31 years old and above. For the private sector, the respondents for this study are from the services sector, meanwhile there is only one respondent from the manufacturing sector. It showed a huge difference between those two sectors. It might be affected by the work nature environment that make them easier to be approached and becoming as part of the respondents.

Table 1. Demographic Profiles of Respondents

Demographic Profile	Frequency	Percentage (%)
Gender		
Male	10	19.2
Female	42	80.8
Marital Status		
Married	39	75
Single	13	25
Age		
Less than 30 years old	12	23.1
31 years old and above	40	76.9
Sector		
Services	51	98.1
Manufacturing	1	1.9

The correlation analysis present that the significant value of less than 0.05 indicated a relationship between the dependent variable and independent variable. For the independent variables of work environment, extrinsic benefit, autonomy and transparency, the significant value of less than 0.05 proved that there is a relationship between all the independent variables and job sustainability for the private sectors during the pandemic Covid -19.

Table 2. Correlation

		Job Sustainability	Work Environment	Extrinsic Benefit	Autonomy	Transparency
Job Sustainability	Pearson Correlation	1	.703**	.774**	.758**	.438**
	Sig. (2-tailed)		.000	.000	.000	.001
	N	52	52	52	52	52
Work Environment	Pearson Correlation	.703**	1	.725**	.525**	.551**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	52	52	52	52	52
Extrinsic Benefit	Pearson Correlation	.774**	.725**	1	.712**	.542**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	52	52	52	52	52
Autonomy	Pearson Correlation	.758**	.525**	.712**	1	.344*

	Sig. (2-tailed)	.000	.000	.000		.013
	N	52	52	52	52	52
Transparency	Pearson Correlation	.438**	.551**	.542**	.344*	1
	Sig. (2-tailed)	.001	.000	.000	.013	
	N	52	52	52	52	52

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

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

As reported in the findings, it showed that the work environment, extrinsic benefit, autonomy, and transparency have a relationship towards the job sustainability among the private sector employees during the pandemic Covid-19. The private sector safeguards must be secured as it is not supported by the government. In the first independent variable, the work environment is part of vital factors to ensure the job sustainability among the private sectors. The employers must ensure that the company are providing an adequate tools and access to the employees in the new norms, such as training and appropriate resources. Even though Malaysia had imposed Movement Control Orders (MCOs) to certain regions due to the high number of cases, the Government giving flexibility to the essential services sectors to be operated as usual with the restricted standard of operations. Due to that, the employers must ensure that the working environment is followed as command by the regulators, with the normal business operations. It is supported with the study by Svedahl et al. (2016), different working environment had an impact towards the job sustainability, in the kitchens environment in Norwegian cooks. The job sustainability is more at when the respondents cooks in institutions and canteens, compared to the restaurants.

The findings were discovered that the extrinsic benefits, such as employment benefits, income, opportunity to advance and family time is one of the factors to the job sustainability in the private sectors. As the health human toll grows, the economic worldwide had been damaged. It is evidenced that as the largest economic shock the world has experienced in decades. Due to that, some of the employers have to cut down the salary, benefits and income of the employees, for the safeguard of the company. It cannot be denied that the employees also have another commitment to commit and expected having a normal extrinsic benefit during the pandemic. Kipkosgei (2019) supported that the extrinsic benefits is the major contributions for the career sustainability among the finance officers, marketing officers, operations officers, and driver or tour guides in Kenya. The attributions of the extrinsic benefits are having a good relationship with the bosses, employment security, salary and medical schemes.

Based on the analysis, the autonomy is also part of the contributing factors to the job sustainability in the private sectors. Autonomy in this study reflects the freedom of rights made by the employees. During the pandemics, the schools and day-care centers had been closed, and it is hard for the parents to manage working hours and children. By having a freedom of autonomy, the employees will be managed wisely the tasks of the office and family times. Permata and Mangundjaya (2021) proved that other than private sectors, the public sectors and government in Indonesia acknowledge the autonomy in the job sustainability. When the employees feel effectively associated with their jobs and have positive motivation, they will then showed a positive behavior by remained in the organization for a long term. The last analysis of this study is the transparency and job sustainability during the pandemic among the private sectors employees. The important of the transparency is to ensure that the employers are telling truth the situation of the company and followed all the command made by the Government. During the pandemic, everyone wants to ensure they are being protected in terms of the health, employment, and company's conditions. The employees are expected to the employers by having an open communication and discussion the impact of the pandemic to their employment status. Even though some of the news might not please certainly parties, but each of us must be compromise. Abun et al. (2020) highlighted that transparency in the context of private business required the people can see through the organization into its internal workings. All staffs at the organization have to be fully informed about the policies and

changes that might affect them to ensure their job sustainability.

Conclusion

Based on the fourth independent variables examined for this study, the factors of the private sectors job sustainability are the work environment, extrinsic benefits, autonomy, and transparency contribute to the job sustainability among the private sector employees in Malaysia. The significance of the study is to the especially private sector employees, regardless the level of management. The result of this study able to help the managers to determine the best initiatives taken by the company to cope with the demands and wants that can satisfy the subordinates' job sustainability. As we know each of the employees have different wants in their motivational work factors, but throughout this study, the managers will focus on the main determinant factor that highly influences the needs by the subordinates. The implications of this study to the government, it will contribute to the ideas about the improvement that should be taken to have a balance work environment between private and public sectors in Malaysia. By having a structured coordination between both sectors, it will ensure an economic growth in Malaysia, regardless in what situation. The enrichment of the result of this study might be contributed to the body of knowledge, whereby there is limited studies to explore about the job sustainability during the pandemic covid-19, especially to the private sectors. The result of this study will enrich the knowledge and theories on Malaysia's situation to face the pandemic on the job sustainability.

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