

**STATISTICAL MODELLING ON THE RELATIONSHIP BETWEEN JOB
PERFORMANCE AND EMPLOYEE MORALE IN AN ORGANISATION**

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ABSTRACT

The purpose of the study is to explore the interrelationships between morale and the job performance of the employees of ZECON Engineering Berhad. The information gathered was also used to develop a statistical model to explain how the staffs' morale influences their job performance. A total number of 116 staff of ZECON Engineering Berhad were involved in this study. The research design used the self-administered questionnaire as the major data collection method. The findings showed that there was a significant difference in the morale status between the male and female employees where female employees registered a moderately higher score as compared to the male. In this study it was also found that the male employees registered higher job performance as compared to the female employees. Apart from that, this study also revealed that all the five factors; leadership, belongingness, environment, personal development and collegiality contributed significantly to the morale of the employees. The working environment was rated as the most important factor among the five. In determining the relationships between the various morale determinants, morale status, and job performance of the employees, the study indicated that the environment, personal development and collegiality factors affect the feeling of 'personal reward' of the employees while leadership, belongingness, environment and personal development influenced the 'cohesive pride' of the employees. It was also found that except for leadership factor the other morale determinants affect the job performance of the employees indirectly either by affecting the employee perception on 'personal reward' or their perceived 'cohesive pride'. Finally, this study also discussed the various implications and suggested some recommendations that the organisation could be considered to create a high performance work team.

CHAPTER 1

INTRODUCTION

1.0 Introduction

Over the past few decades, numerous researches had focused on leadership styles and the effectiveness of organisational administration. Some researchers called for improvement in organisational administration by looking at the process aspects while others emphasized on the human factors such as morale and motivation (Nagarajah, 1998). Generally, it could be argued that approaches to administrating and managing an organisation are not inherently effective or ineffective. They are effective to the degree that they fit in the existing organisational culture. According to Lawler (1986), to be effective, a managerial approach needs to fit well with the existing societal values, the nature of the work force, the type of product being produced and the business environment. The need for an effective managerial system becomes even more apparent in this era where the effect of globalisation causes the operating environment of organisation at the present decade register rapid changes. These uncertainties make the survival of an organisation depends very much on how effectively the organisation's strategic initiatives contribute towards the achievement of its mission.

1.1 Background Of The Study

There are numerous evidences indicating that the failure of some firms to survive in the global market is the mismanagement of its resources, mainly the human resource rather than problems associated with technical systems (Azaranga, Gongalez & Reavill, 1998). Thus, one of the ingredients in the success of an organisation is how efficiently the

organisation learns to adapt itself to the environment and capitalizes its resources fully. In achieving this, human resources play a vital role. Therefore for an organisation to be successful its employees need to be continuously motivated and a positive performance culture needs to be created within the organisation.

In the effort to manage its performance organisations adapt some forms of performance management systems. Some of these systems focus on functional effectiveness of the organisation like the Balanced Scorecard (Kaplan & Norton, 1996) while others emphasized on the human factor, which focused on performance appraisal (Grote, 1996). Thus, it could be concluded that in managing organisations for high performance, the performance management system should focus on the managing of the employees' performance in accordance to the organisation's mission and vision. Therefore the main purpose of any performance management system is to effectively manage the organisation's human resources, where the focus is identifying their potentials and provide appropriate training to enhance their performance.

1.2 Background Information of ZECOM Engineering Berhad

ZECOM was incorporated on 30 January 1985 as a private company. It was converted to public company on 7 July 1995 and changed its name to ZECOM Engineering Berhad on 24 June. It was listed in Bursa Malaysia Securities Berhad on 19 November 1997. ZECOM is a Bumiputra-controlled company, principally involved in foundation engineering, civil engineering, building contracting works and their related activities such as general contractors and infrastructure works.