

MBA PROJECT PAPER

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ABSTRACT

Vision 2020 was unveiled by Dato Seri Dr Mahathir Mohamad on February 28th, 1991 during an inaugural meeting of the Malaysian Business Council. Since then, the basic question that has been uppermost in most minds is whether Malaysia can achieve the status of a developed nation by the year 2020, through a society that should have the values and attitude envisaged in the Vision.

A critical factor in the nation's desire to achieve a fully industrialized status is the development of human resources. The task of producing and maintaining a constructive human resource includes the inculcation of positive work values and attitudes in our work force. It is important, therefore, to address the current work values of the Malaysian work force with a view to examine how these work values are aligned in achieving the Vision, which this modest attempt seeks to achieve.

The purpose of this study was to examine the current work values of the Malaysian work force with a view to evaluate how well such values are geared towards achieving the national goals under Vision 2020. This is important in view of studies linking work values to performance and national development.

The findings of the study showed that pride in work is regarded as the most significant work value by the respondents, followed by activity preference, job involvement, upward striving, attitude towards work and social status. Generally, there was no significant difference in the work values of the respondents in the categories compared based on gender, ethnicity, age, level of education and sector of service. In particular, there was no difference in all the dimensions of work values due to gender differences.

Differences exist between ethnic groups as regards pride in work and being upward striving. Significant difference was also seen in pride in work and social status based on the respondents' level of education Likewise, comparison between age groups revealed difference in activity preference and attitude towards work. Between sectors of service, significant difference was observed in attitude towards work.

Based on the ranking of work values by the respondents, the study found that the work values of the respondents were directed towards positive role behaviours in the working environment. As the significant differences observed were largely minimal, it was concluded that the work values of the respondents were indeed positioned towards realizing the goals of Vision 2020.

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VALUE TOWARDS ACHIEVING VISION 2020

The undersigned certifies that the above candidate has fulfilled the conditions of the technical project paper prepared in partial fulfilment of the requirement for the Masters of Business Administration.

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CHAPTER 1

INTRODUCTION

Envisioning the future and translating that vision into actionable plans and programs are the first essential building blocks of successful strategy. In this regard, Malaysia's Vision 2020 is indeed a whole, strategic vision, in that it gives the nation a clear strategic direction, focuses the energy of the public and private sectors to work together to transform Malaysia into a fully developed nation by the year 2020 and prepares the nation to cope with quantum changes.

In recent years, human resource development planning has received tremendous attention from policy planners, practitioners, academics and other international agencies. There have also been initiatives towards examining the possibilities and framework of an integrated approach to human resource development planning, i.e. linking development plans of a country with major human resource variables. The integrated competitive strategy-human resource model (Schuler, 1989), has provided the impetus for meaningful research to position employee role behaviours as a crucial factor in economic development of nations.

The emphasis given to strategic human resource development under Vision 2020 reflects the impact of the above research and studies. In this context, the Vision

reinforces the recognition for people as the nation's ultimate resource. As the dynamic and proactive role of the Malaysian work force could accelerate the growth and development envisioned, the work values held by the Malaysian work force calls for some attention.

Many organizations in both public and private sectors continue to direct their towards creating a 'performance culture'. Such culture is characterized by a search for strategies to improve the contributions of individuals to the overall success of the organization. This process is known as performance management and is generally associated with an approach to creating a shared vision of the purpose and aims of the organization. Besides, the approach also helps each individual employee to understand and recognize their contribution towards realising the shared vision. Hence, performance management and realization of strategic vision of an organization or a nation is directly linked to the work values of its employees.

OBJECTIVE OF THE STUDY

Studies on the behaviorial characteristics of the Malaysian work force are some what limited. Past efforts are concentrated in examining and evaluating the adequacy of workers' compensation schemes and other issues related to employees' welfare. Though these areas are not any less significant, the economic miracles of the countries that have been poor in terms of "natural resources" in the past two decades reveal that the most important resource of any nation must be the talents,

skills, creativity and will of its people. With the objectives enshrined in the Vision, the behaviorial aspects of the Malaysian workers have assumed increased significance.

On the other hand, the authorities have of late expressed concern over the increasingly noticeable "social ills" like loafing among Malaysians which manifests in non-productivity. Consequently, various reformation programs have been introduced as a counter measure. Thus, the current social environment could also possibly have adverse effects on conscious efforts to inculcate positive work values in line with the goals of Vision 2020.

The major objective of this paper was, therefore, to examine the current work values of the Malaysian work force with a view to evaluate how well such values are geared towards achieving the national goals under Vision 2020. This evaluation was attempted by conducting a comprehensive field study and data analysis regarding the subject.

SIGNIFICANCE OF STUDY

The issues pertaining to human resource management and development are central themes in Malaysia's Vision 2020 economic plan. The resourcefulness of Malaysian workforce has direct impact on the productivity and the overall economic performance of the nation. The challenges of the Vision include that of creating

more value-added activities which need not be perceived in the economic sense but also in the non-economic sense.

The emphasis placed on increasing productivity through employment of technology, education and training in order to achieve economic growth cannot be allowed to underestimate the role of work values in shaping quality human resource. Only a workforce with positive work values can implement the best of plans aimed at accelerating productivity.

However, most works relating to Vision 2020 seem to have a bias towards a political context (e.g., Ling, 1995) or towards rationalizing the need for a vision (e.g., Ahmad Sarji, 1993), causing critics to view the Vision as a tool to gain political mileage. The lack of studies focusing on employee role behavior in realizing the goals of the Vision is rather evident.

Therefore, it would be timely and appropriate at this juncture, to examine and evaluate the behaviorial characteristics of the working population from the work values dimensions. Such an examination would shed some light as to the current position faced by Malaysia as a nation, in managing its workforce towards achieving its Vision.

The findings herein would serve as a guideline to future plans and programs aimed at developing work values and thereby would contribute to the rather neglected

area of workers behavior in this country. This study would also provide some guideline to the policy-makers to design more effective plans and measures, to nurture a workforce with the characteristics as envisaged by the Vision, so that the foundations can be laid and strengthened for the long journey towards that ultimate objective.

LIMITATIONS OF STUDY

The study has a number of limitations which would readily qualify the findings as set out in Chapter 4. Firstly, the sample size was relatively small. Secondly, the samples were also not confined to a specific occupational group or industry, which would have rendered the study to be more focused.

Thirdly, all the respondents were from the Klang Valley, and as a result, the findings should be associated with urban cosmopolitan work force only. If samples from areas other than the Klang Valley had been included in this study, different findings and results may have been derived.

Fourthly, the questionnaires were largely distributed through third party who had been briefed of the objective of the study and the purpose of data collection. The third party was informed to brief the respondents likewise but no mechanism was developed to ensure that the same is done. To fill this gap, an introductory note was incorporated in the questionnaire itself. The responses may have differed if, in

addition to the introductory note, the respondents had been directly briefed on the purpose of the questionnaire.

Fifthly, the data collection was done within a short span of time i.e. in the month of October 1997. As the behaviorial characteristics of the work force were being studied, a longer period for analysis would have been more appropriate and feasible. Such an approach would have influenced the findings made herein.

Finally, the questionnaire used was not one that was tailor-made for the purposes of this study but was based on one developed in the West. This has built in limitations because the work value dimensions could be culturally biased. This has direct effect on the reliability of the responses to the statements posed to the respondents as a measure of work values. A customized questionnaire having regard to the socio-cultural variables and the actual and perceived work culture of Malaysia would have been more appropriate for purposes of data collection.

Notwithstanding the limitations highlighted above, it is intended that an exploratory study such as this should attract more attention and stimulate future research in the area of work values in the context of nation building as well as strategic human resource management in Malaysia.

ORGANIZATION OF THE STUDY

The study consists of five chapters. Chapter 1 is an introductory chapter, setting out the objective, significance and the limitations of this study. Past studies on work values are reviewed in chapter 2. Besides, this chapter also describes the significance of Vision 2020 and the background for the analysis of the Malaysians' work values in this paper. This chapter is concluded with the formulation of the hypotheses.

In chapter 3, the methodology, the instrument of study and the samples are discussed. This chapter also contains details on the method of data analysis. Chapter 4 sets out the response rate and the respondents' background briefly before discussing the findings made through data analysis. In addition, the hypotheses formulated in the earlier chapter are tested and the findings are discussed in this chapter.

Chapter 5 contains a summary of the findings, the managerial implications as well as the agenda for future research. This is also the concluding chapter.

CHAPTER 2

LITERATURE REVIEW AND THE SCENARIO FOR ANALYSIS OF WORK VALUES IN MALAYSIA

This chapter reviews the literature relating to work values. The concept of values, the various dimensions of studies on work value studies and its significance are discussed. Next, the Malaysian background to the issue of work value is examined, with a focus on the nation's vision to achieve the status of an industrialized country by the year of 2020. Finally, this chapter also develops the hypotheses for the study.

LITERATURE REVIEW

DEFINITION OF WORK VALUES

Work values are a multi dimensional and complex subject matter. Work values and value systems are said to be "two of the most researched and discussed concepts in business literature" (Ali, Azim & Krishnan, 1995). Work values are said to govern work attitudes and work behaviour to a large extent (Chew & Putti Joseph, 1995). They are intertwined with many other factors, including organizational culture, organizational value systems, organizational structure, employment-relation

practices, societal value systems, motivation and technological environment, to directly affect productivity and hence the bottom line of an organization.

In fact as early as 1977, Viola found that an understanding of employee values has much to do with the effectiveness, efficiency and morale of the organization. England (1978) found that knowing value system allows us to design effective motivational systems. England also developed the conceptual framework for the meaning of work whereby work is to be understood from three work-related dimensions i.e. work centrality, work goals and societal norms about working.

Based on Gartland's (1984) work, values have been defined as "a construct that mediates between a person's internal needs, both physiological and psychological and the specific activities available to fulfil each need". Guth and Tagiuri (1965) also see values as ends of state. Staw (1988) regards work value as the focus on the more enduring aspects of people's orientations towards employment in general rather than their reaction to particular jobs or occupations.

According to Hodgetts (1987), any examination of individual behavior demands that the total person be looked and this in return requires an examination of four major components of individual behaviour i.e. values, perceptions, attitudes and personality. Hodgetts also takes a logical approach in defining values as "something that has worth or importance to an individual" (1987:74). The formation of such worth is influenced by various personal, organizational and societal factors,

particularly culture. For the purposes of this study, the above definition by Hodgetts is adopted and the references to values throughout this paper are to be construed accordingly.

For the examination of individual behavior, Hodgetts regards the list of values authored by Edward Spraunger as the "shortest and yet most complete" (1987:74). Pursuant to this list, six areas or profiles of human values have been identified. They are theoretical, economic, aesthetic, social, political and religious values. Further he noted that different occupational groups are bound to have different value profiles (1987:74). For instance, academicians tend to be highest in theoretical interests whereas entrepreneurs have very high economic values. However, each individual is bound to have some degree of each of these values. For this reason, values are of major importance in the study of human relations.

Contemporary research in cross-cultural management has given a face lift to works on values. With the increasing sophistication of the issues involved in managing a diversified workforce, it is predictable that values will remain as a popular area of future research in the field of management as a whole.

STRATEGIC HUMAN RESOURCE MANAGEMENT AND WORK VALUES

Among the features of the human resource management (HRM) construct is the emphasis on the strategic approach in the management of the work force. This

approach emphasizes the need to develop a HRM practice that is supportive of strategy. The strategic HRM theory argues that this strategic orientation should result in HRM practices which have a positive impact on organizational performance.

In the field of strategic HRM, milestone studies have been conducted to moot the idea that human resource can serve as a competitive advantage (Miles & Snow, 1984; Schuler & MacMillan:1984; Wills & Dyer, 1984; Schuler & Jackson, 1987). Porter (1985) argued that HRM can help a firm obtain competitive advantage by lowering costs, by increasing sources of product and service differentiation or by both.

Wright and McMahan (1992) developed a coherent theoretical framework with six models for strategic HRM, aimed at providing an understanding of the strategic and non-strategic determinants of the human resource practices. For example, from the resource-based view of the firm (1992:300), in order for a firm's resources to provide sustained competitive advantage, the resource must:-

- (a) add positive value to the firm;
- (b) be unique or rare among current and potential competitors;
- (c) be imperfectly imitable; and
- (d) be unable to be substituted with another source by competing firms.

This model is found, among others, on the idea of Schuler and MacMillan (1984) that capitalizing on superior HRM is means to gain and maintain a competitive advantage.

In yet another model, i.e. the behaviorial perspective, Wright and McMahan (1992:303) focus on employee role behavior as the mediator between strategy and firm performance. Developed based on the works of Schuler and Jackson (1987) and Miles and Snow (1984), the behaviorial perspective model assumes that the purpose of various employment practices is to elicit and control employee attitude and behaviours. It also recognizes that it is the specific human resource practices that motivate employees to exhibit the needed role behaviour in line with various strategies.

Bird & Beechler (1995) undertook an empirical study to examine the linkages between business strategy and HRM strategy in Japanese subsidiaries in the United States. They focused on the issue whether or not fit between a subsidiary's business strategy and its HRM strategy is associated with higher performance. It was found that subsidiaries with matched strategies performed better than unmatched ones in terms of HRM-related performance measures such as rates of promotion and turnover. In addition, the said study found that Japanese subsidiaries with a business strategy/HRM strategy match were also more likely to experience better business performance against competitors against the unmatched ones.

Similar studies on this area provide great insight as to the significance of linking human resource to the strategies of a firm and likewise a nation. In relation to performance management and productivity it was best described by Lenick-Hall & Lenick-Hall (1988) when they observed as follows:-

"...there is little empirical evidence to suggest that strategic human resource management directly influences organizational performance or competitive advantage. However, there is much anecdotal evidence to suggest that such a relationship does exist" (1988:468).

In the context of national development, the study by Sarosh Kuruvilla (1996) posits that "industrialization strategies and industrial relations and human resource strategies are closely intertwined and mutually reinforcing" (1996:635). His study also highlights that Malaysia's trend is to pursue a import substitution industrialization strategy, that is to focus "on the promotion of locally owned industries catering to a relatively large domestic market in order to conserve foreign exchange and to promote industrialization and local entrepreneurship" (1996: 636).

If Malaysia continues to promote locally owned industries as found by Sarosh Kuruvilla in pursuit of her Vision to be fully industrialised nation by the year 2020, the work values of the Malaysian workforce indeed becomes a major area of concern as a contributory factor towards economic development of the nation.

MOTIVATORS OF WORK VALUES

There seem to exist various approaches in answering the question what drives work values. Proponents of the convergence theory believe that the ideology of the workplace drives values. Conversely, proponents of the divergence theory argue that country culture, not workplace ideology, drives values. A more recent perspective. crossvergence, has argued that work ideology and country culture interact to create a new and unique value system (Ralston, Holt, Terpstra, & Kai-cheng:1995)

Culture influences many aspects of business attitudes and basic work values. Empirical evidence suggest that values are culturally determined (Hofstede,1980, 1984, 1991), work behavior is culturally specific. For instance, in a study conducted in Mexico (Gutierrez,1993), it was found that culture influences many aspects of business attitudes and basic work values. The specific cultural factors that influenced business in Mexico were identified and discussed in this study.

GENDER AND WORK VALUES

Rowe & Snizek (1995) have suggested that early efforts on the issue of gender differences in work values focused specifically on innate gender differences (1995:215). Pursuant to this view, the observed differences in work values between males and females were dictated by gender itself. However, subsequent researchers

observed the differences in work values may reflect different structural conditions experienced at the work place (1995:215).

Besides, traditionally, studies focused on the relative importance of intrinsic and extrinsic job features (Rowe & Snizek, 1995:217). Women were found to place greater significance on extrinsic values such as pay and working conditions. By contrast, men regarded intrinsic values such as the opportunity to use one's abilities and the one's overall job satisfaction as more important. However, these findings cannot be regarded as conclusive as findings have also been reported in the reverse (1995:217).

Gender differences in work values were also analyzed based on two broad approaches known as the gender socialization model and the social structure model (Rowe & Snizek, 1995:217). According to the gender socialization model, the observed differences in work values between men and women reflect traditional patterns of gender socialization. In contrast, the followers of the social structure model argue that the gender differences in the work values are traceable to the men's and women's differential positions in the workplace hierarchy and their differential access to the system of workplace rewards.

In their study, Rowe and Snizek (1995) analyzed the work value preferences of 7,436 full-time male and female workers, representing all major occupational classification in all major industries. The data provided no consistent support for