WORK VALUES
OF MALAYSIAN MANAGERS
IN MANUFACTURING COMPANIES

BY

MANOHARAN S/O MUTHUSAMY

A RESEARCH PROJECT PAPER SUBMITTED IN
PARTIAL FULFILMENT OF THE REQUIREMENT
FOR THE DEGREE OF MASTER OF MANAGEMENT

MANAGEMENT CENTER
INTERNATIONAL ISLAMIC UNIVERSITY
MALAYSIA

OCTOBER 1997

ABSTRACT

The main intention of this study is to identify the pattern of work values that Malaysian managers' desire in their job related activities. The work values of 110 managers of manufacturing companies were assessed. Wollack et al.(1971) Survey Work Value (SWV) questionnaire were used to investigate the differences in work value orientation across ethnic, gender, age group and company.

This paper also extends the findings of the relationship between work values and organizational commitment. Organizational commitment was measured through Porter et al. Organizational Commitment Questionnaire (OCQ).

In order to reaffirm the possibility of dividing work values into intrinsic and extrinsic, factor analysis using *a priori* criterion principle component analysis were used to extract six factors. Only four factors (job involvement, pride in work, activity preference, attitude toward earnings) which have high internal reliability and explain meaningful values were selected and two other factors (social status and upward striving) could not be included in this study due to reason above.

The finding revealed that 'pride in work' emerged as highly desirable work related value among Malay managers, male managers and managers in American manufacturing companies. Managers in Japanese manufacturing companies were found to be emphasising more towards 'earnings'. Results also indicated that, there is no any significant difference in work value orientation

among young and older generation managers. By and large the findings indicate 'mixed' results concerning the relationship between work value sub scales and demographic variables.

However a distinction was made between work value sub scales and organizational commitment. Organizational commitment is related to intrinsic work values. Intrinsic work value sub scales, such as 'job involvement', 'pride in work' and 'activity preference' have significant moderating effects on organizational commitment. Whereas 'attitude toward earning' appears in significant with organizational commitment.

These study provides empirical evidence which will increase our understanding of the relationship between managers' work value system and organizational commitment and work value pattern of various segment of Malaysian manufacturing company managers.
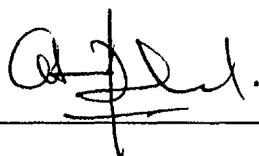
APPROVAL PAGE

TITLE OF PROJECT PAPER : WORK VALUES OF MALAYSIAN
MANAGERS IN MANUFACTURING
COMPANIES

NAME OF AUTHOR : MANOHARAN S/O MUTHUSAMY

The undersigned certify that the above candidate has fulfilled the conditions of the

project paper prepared in partial fulfilment for the degree of Master of
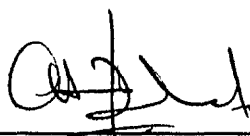
Management.

SUPERVISOR

Signature : _____

Name : Dr. Ahmad Zohdi Bin Abdul Hamid

Date : 31st October 1997.

ENDORSED BY :

_____
Assistant Professor Dr. Ahmad Zohdi Abdul Hamid
Head, Master of Management Program
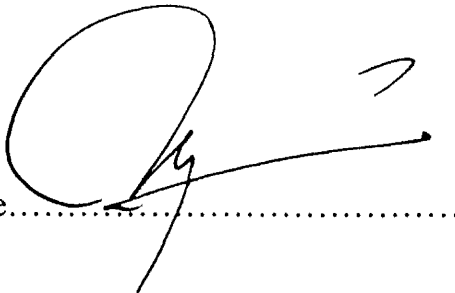Date : 31st October 1997

_____
Associate Professor Dr. Syed Abdul Hamid Al-Junid
Executive Director, IIUM Management Center
Date : 31st October 1997

DECLARATION

I hereby declare that this project paper is the result of my own investigations, except where otherwise stated. Other sources are acknowledged by reference notes and a bibliography is appended.

Date ...30th.October 1997.   Signature...

Name : MANOHARAN S/O MUTHUSAMY

ACKNOWLEDGEMENTS

I would like to express my heartfelt gratitude and appreciation to the following people and institutions for making this study possible.

- Dr. Ahmad Zohdi bin Abdul Hamid for his guidance and encouragement in the preparation of this research project paper. I really appreciate his meticulous attendance, tolerance and assistance in the writing of this dissertation.

- Institute Aminuddin Baki and The Ministry of Education for tendering the opportunity and scholarship to undertake this study.

- Dr.Syed Abdul Hamid Al-Junid, The Execuitive Director of Management Center IIUM and staffs of the Management Center for their endless cooperation and support throughout the study.

- Mr.Mrs. Damo for rendering their undivided care and concern to my children during my absence in the course of completing the study.

- I am grateful to my parents and family members for their encouragement, inspiration and support.

- Finally, I acknowledge my deepest and loving appreciation to my wife, Kalaichchelvi and three sons, Avinash Kumar, Surenther and Arunan. Their sacrifices have tremendous, and my wife's immense encouragement has been the prime source of my inspiration.

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

CHAPTER I

INTRODUCTION

This chapter gives an introduction to this study. It describes the background of the study, statement of the problem, significance of the study, assumptions, working definition of terms and organisation of the study.

1.1   Background of the Study

Manufacturing sector is the backbone of national economic strength and it is highly geared by foreign investment. Being a young industrial country, the Multi National Corporations (MNC's) are expected to transfer technology and management to their local counterpart. Companies are required to allocate one percent of their profits for human resource training. All these are to develop local managerial experts and to prevent the dependence on "guest workers" (Maniam, 1986).

But lately, a few problems have cropped up in manufacturing sector such as 'job hopping among local managers' and 'cultural clash' in the managerial practices between local and foreign management (Asma, 1997). There were also statements about organizational commitment of local managers. The sprit of organizational commitment is eroding among Malaysian managers as shown through their constant hopping from one job to another in search of higher pay (Mahathir, 1992). Moriyama (1994), managing director of Nikko Advisory

Services (M) Sdn.Bhd. said, "The local managers are not so loyal and once they get better jobs they leave." Even this has been a reason for slow transfer of management and technology by MNC's especially among Japanese subsidiaries (Shukri, 1994).

How do we go about addressing this problem? Even though a research by Azizal (1997) on manufacturing employees found that 68.4 percent of the respondents were loyal to company but it could not tackle the fundamental values related organizational commitment. The values attached to 'work' has been changing through various development stages of human society as a result of rapid industrilization (Sinha, 1990). Because of that, we need to look at the commitment issue in a theoretical framework, such as the relationship between central life interest of managers and their commitment to the organization. Central life interest (Dubin, 1972) is the measures whether the managers work value is toward 'work' or 'nonwork' orientation. The act of commitment is simply a manifestation of the individual's own self (Kidron, 1978).

Being a multiracial country, each ethnic group view work in their own cultural baggage. Each bag contains values about a person's family, individual, country and company. As a result of this, work value dimension of local managers differs at various works setting (Asma, 1997). Even other variables like gender, age and company can also have an influence on work related behaviours.

1.2   Statement of the Problem

Malaysian work values have been a subject for study and comment. Being young industrial country, work value patterns styles and practices are still evolving. Identifying a work value pattern among local manufacturing managers is necessary to formulate a model of work competence in manufacturing management. It will also be interesting to know what the underlying work value that can be a 'motivator' to local managers. An understanding of the value system and underlying meaning of work among Malaysian managers is necessary in order to synchronize foreign management practices successfully.

Malaysian manufacturing company managers are exposed to various types of management culture, namely American and Japanese. Attachment to a particular organizational culture, climate and environment is potential to shape work related values.   Managers with different genetic, behaviour, ethnic and culture are shaped into common organisation values as a mutual adjustment process of acculturation which may due to natural consequences of daily contact within organization (Berry, 1986). This organisational culturalization process plays very important role in determining specific managerial role, leadership style, organisational performance, effectiveness and work competence (Schein, 1968). In order to reach Vision 2020, we have to examine our own cultural baggage, which has mixed values of "roots" (Asma, 1996). This is important to strengthen our efforts to determine Malaysian work values and value systems of top management.

The subject of work value has become a focal point in determining Malaysian management culture. Malaysian workforces are exposed to foreign work culture by becoming employee of multi national corporations (MNC's). It is very essential to know what is our working culture in a multicultural work setting. How do Malaysian manufacturing managers internalise their values as a respond to the various forces of change, ranging from industrialisation, development, westernization, Islamization and globalization?

Today the most vital element in general management is the human capital. The inclusion of the human element in the work system is a prerequisite for a balanced development of any organisation. This balance can be maintained only by making the work value as the focal point. As "people management" is getting more important in much organization, there is a pressing need for studies to explore some dimensions of the complex organizational behaviour.

1.3 Objectives of the Study

The objectives of the study are to analyse the pattern and priority of work values of local managers from different ethnic, gender, age and organisation. This is an effort to identify fundamental work values of heterogeneous managers in manufacturing work place and its relation to organisation. This study aims to investigate the value considerations leading to commitment, which reflect basic work value standards of a manager.

1.4   Significance of the Study

The survey on work value system (SWV) of Malaysian managers will highlight the 'work values' system which will be useful in translating and aligning certain management practices and organizational behaviour such as commitment, team work, performance feedback, negotiation, communication, leadership, recognition, delegation, empowerment and reward system and assertive behaviour.

An understanding of work values of local managers in a multicultural work setting will enlighten the work norms and work behaviour prevalent in the work place. This can create a realistic expectation of local managers by the foreign companies. Foreign investor's wish and effort to stimulate their employees to be more committed at work will be guided with improved understanding of work related values. The results of this study can be used as basis for understanding the 'human side' of Malaysian managers at manufacturing sector.

Outcome of this study is also useful to various MNC's in Malaysia because it can be used to address organisational problem such as 'job hopping'. As the study intends to find out the relationship between organizational commitment and work value system, there is a need to take appropriate action to inculcate loyalty. This research finding will shed some light on the substance for nurturing 'loyalty culture' in an organization.

Just as we study the micro-cultures of individuals in manufacturing companies, we may be able also to analyse the macro-culture of the institution. The search for corporate sub cultures as perceived by managers in manufacturing industry is necessary to document the cultural values of Malaysian managers.

1.5   Assumptions

Several assumptions need be made in order to proceed in this study. First, managers of all races were selected from manufacturing companies in Shah Alam, Sungai Way Free Trade Zone, Bayan Lepas, Seremban Tuanku Ja'faar, Nilai, Berenang and Senawang Industrial Estates. The views expressed by respondents and their preferences are considerate the same regardless of the geographical location.

Second, the respondents comprise of managers who are at least section heads and they are directly involved in supervisory, technical and administrative activity at various functional departments. They have no rested interest or prejudice in answering the questions related to managerial values and organisation commitment because their identification according to company is not disclosed in this questionnaire.

Third, work value of manufacturing managers does not aim to measure particular attitudes of a manager toward job because its' more related to job satisfaction. These study measures work value pertaining to measure managers basic beliefs about work in general and it is regarded more stable compared to

attitude. Lastly it is also assumed that current interest in work value will continue in the future as it is related to "human capital" as an important resource to organisation.

1.6   Working Definition of Terms

Cummings (1988) define *Work Values* as the end states people desire and feel they ought to be able to realize through working. Work value influence what people believe to be legitimate and hence define what they will tolerate. Staw (1988) regard the work value as focus on the more enduring aspects of people's orientations towards employment in general rather than on their reactions to particular jobs or occupations.

Managers refer to people who are involved in high-level management activities such as planning, organizing, leading and controlling. They are also classified as general managers or functional managers (Stoner, 1995). They are comparatively small group of people with high level responsibility in helping organization to achieve its goal. Those people are called executive, head of functional department, section head, head of department or first grade supervisor.

1.7   Organization of the Study

The study comprises five chapters. Chapter I serve as an introduction to the study. Chapter II discusses relevance of values and reviews past studies on the significance of values play in the organisational context. The research

methodology is outlined in Chapter III. Chapter IV describes and discusses the research results. Chapter V summarises the findings and makes some recommendations for further research.

CHAPTER II

LITERATURE REVIEW

This chapter reviewed the related literature on work-related value. It is organized into eleven sections, which can be divided into six main themes. The first part discussed the concept of values, work values and value system. The second part discussed values relevant to organization. Part three looked into instruments measuring work values, and the fifth part reviewed the out come on recent research conducted on human values and work values. The final part put forward the hypothesis, which were tested in this study.

2.1   Background On Value Studies

A wide range of scholars from many disciplines like philosophy, anthropology, sociology and psychology have studied values as an important dimension of human experience. Lately, the interest has focused on managerial and organisational values.

In the study of human in organisation behaviour, value and value system is considered a more efficient analytical tool because values are more structurally fundamental than attitudes and are more basic in determining an individuals character. The study of values permits more interdisciplinary collaboration than does the study of attitudes (Rokeach, 1967).

Values are primary determinants of human behaviour and every culture reflects a system of values (England, 1974) Values are deep-rooted sets of convictions to which individuals, groups, and societies attach strong sentiments of approval (Guth, 1965). These shared conviction serve as guides to behaviour. In addition, they are foundation for what is believed to be 'good' or 'right'. They underlie beliefs, shape attitudes, and stimulate the expression of opinions.

Martha Brown (1977: 14) differentiated attitude, behaviour, values and value system. He defined 'attitude' as a set of belief. 'Behaviour' as actions that were resulted from motivation. It can range from a single act to whole set of acts. Whereas 'value' as an enduring belief that a specific mode of conduct is personally or socially preferable to an opposite or converse mode of conduct. 'Value system' is considerate as a sum of an enduring organization of beliefs concerning preferable modes of conduct along a continuum of relative importance.

The set of values has been accumulated, rewarded and enforced by family, community, company and country (Brown, 1977). It can be personal, professional (for an example managerial), organisational, or societal (see figure 2.1). Although they are interrelated, the influence among them are varied (Brown, 1977). These values differ across countries, within a country, companies and individual (Elashmawi & Harris, 1993).
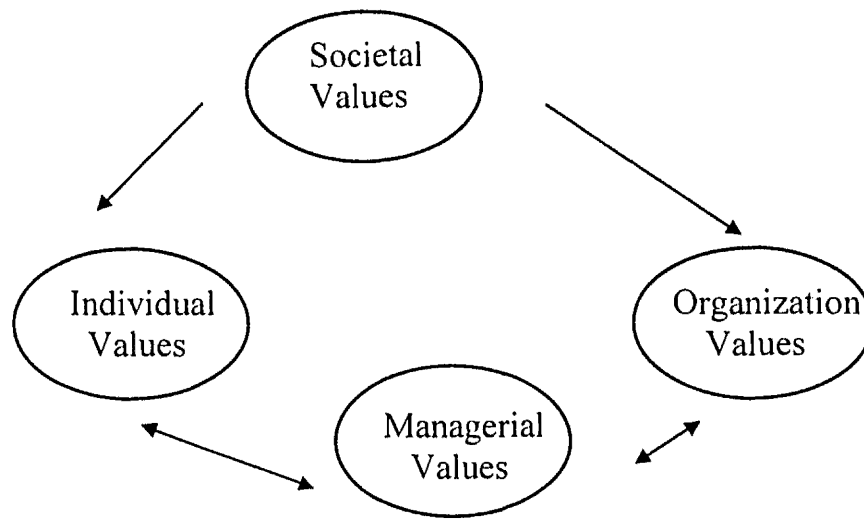
Figure 1.2: Influence among Value Systems
(Source: Brown, 1977)

2.2 Definition of Values

Values are so abstract that there is confusion on what they actually are in our daily language. Values are not directly observable but they manifest in our attitudes toward an event, object or situation through our decision makings, actions, communications and relation of self to others. Even though values refer to what is said or done by individuals but it originally represent inferences and abstractions from the immediate sense (Kluckhohn, Clyde, 1951).

In many cases, the scope and determinants of values are defined differently by individuals (Najder, 1975). For instance, honesty would be a value to them for different reasons. However, social scholars have tried to define values more explicitly. Generally value definitions are consistent in their global meaning. Even then, there are many definitions.