

**ID008 – The Machiavellianism: A Trait Catapulting Career
Advancement**

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Abstract

This paper explores Machiavellian personality among Malaysian employees. Organizations stand to benefit when identifying Machiavellian personality among potential and existing employees during selection or promotion exercise because recent literature shows individuals with high Machiavellian disposition are more motivated to succeed, more assertive, less manipulative and also display superb negotiation skills, and ability to influence others. A total of 200 workers from several organizations in Malaysia responded to Mach IV scale questionnaire. Also explores are the differences in level of Machiavellian orientation among respondents according to demographic factors. The findings were discussed in the light of theoretical and practical considerations.

Keywords: career advancement; Machiavellianism; selection

1. INTRODUCTION

Organization stands to benefit when it knows its employees well. It is not surprising then to find organizations going to a great extent using personality tests to uncover a person true identity (potential and existing employees) in helping decision making either to hire, placement or promotion. This come with the believe that personality traits provide the employers with an indication of how the employee will perform on the job. While there is no guarantee however research has shown that on average personality traits demonstrate by a person in personal situations will also be displayed in work situation (Kelchner, 2011).

This study looks into Machiavellian personality of Malaysian workers. The contemporary understanding of Machiavellianism is based on Niccolo Machiavelli's book, "The Prince" (1513/1902). Machiavelli is well known for such generalizations as "the ends justify the means" and the contention that unethical behavior is acceptable, even necessary, if it helps attain goals or protect political position. Christie and Geis (1970) define Machiavellianism as a process by which the manipulator gets more of some kind of reward than he or she would have gotten without manipulating, while someone else gets less. Machiavellianism is a sort of manipulative strategy of social conduct that involves manipulating others for personal performance and success. Accordingly, Machiavellians do not accept the premise that people should do what they believe in but should instead believe in what they do (Christie and Geis, 1970).

Christie and Geis (1970) also described individuals with strong Machiavellian disposition as controlling, manipulative, and ruthless. They are also cold-blooded and conniving in using

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others with total disregard for human dignity. Kets de Vries and Miller (1985) suggest that Machiavellian personality is related to narcissism. Narcissistic individuals are those who display a lack of empathy and fear of failure and are considered "ideal-hungry," preoccupied with their own needs, and strongly desirous of being loved, as well as having a transactional or instrumental orientation. Jones and Kavanagh (1996) say that Machiavellians advocated principles of behavior that are opportunistic and typically lack of concern for conventional morality. Mudrack and Mason (1995) add that high Mach put self-interest first and have little emotional involvement with either people or situations. Also, high Mach seems to have few reservations about telling lies or bending rules. According to Mirvis and Kanter (1991), the best known Machiavellian characteristic is cynicism. They describe cynics as those who agree that lying, putting on a false face, and taking advantage of others are fundamental to human character. Rayburn and Rayburn (1996) also agree that a high Mach individual is cynical and that Machiavellian is willing to step outside the bounds of formal authority. Apart from this Machiavellians are also found to be aggressive, exploitive, and devious; and that the needs, feelings or rights of others in the organization are secondary (Rayburn and Rayburn, 1996).

Rocha (2010), though not denying the dark side of Machiavellianism, however believes that Machiavelli's name has been unfairly reviled by history. Accordingly, Machiavelli is no less a master of diplomacy and good leadership. An individual high in Machiavellianism is pragmatic and maintains emotional distance. Machiavellians are also cunning like the fox and the brawn of the lion; avoid the people's hatred but sustain their awe; consistently project an image of nobility and virtue irrespective of their deeds; and also act in expediency.

Indeed in the past operationalizations, the Machiavellian disposition has been overly simplified to describe high Mach as power-hungry individual who does not consider the needs of others and consistently acts in an antagonistic, forceful, and unethical manner. The true fact is, Machiavelli as a personality trait also has many positive attributes. According to Martinez (1987) although high Machiavellians may endorse deceit and opportunism, they nevertheless might be as moral as low Machiavellians in other areas of socio-political belief. For Grams and Rogers (1989) Machiavellians are more flexible in their choices of influence tactics. Machiavellians are flexible because they have the ability to use self-monitoring to read and use environmental cues to determine behavior (Snyder, 1974). Their flexibility in choosing influence tactics enables Machiavellians to enhance followers' compliance (Carpenter, 1990). In support, Allen (1990) adds that Machiavellians give thought to how to influence others. Their skills in displaying positive emotional techniques (flattery, friendliness) help aid their influence attempts. To this, Christie & Geis (1970) find high Mach possesses superb negotiation skills, and that their ability to influence is impressive. In fact, individuals high in Machiavellianism want to succeed by using the least obtrusive means and only resort to stronger or harder tactics when necessary. On top of these positive attributes, Machiavellians are also more motivated to succeed, more assertive, less manipulative, and that they prefer to use indirect (emotion) and non-rational (reward) persuasion techniques (Grams and Rogers, 1989).

Therefore, it should be heartening to find employees being Machiavellians in the true sense of the word, without being Machiavellians, in the popular definition; that is, being effective without being unethical (Rocha, 2010). Nevertheless, it is worthy to take notice of Christie and Geis's (1970) caution that high-Mach outcomes can be moderated by situational factors. High-Mach individuals have been found to flourish (1) when they interact face to face with others rather than indirectly; (2) when the situation has a minimum number of rules and regulations, thus allowing latitude for improvisation; and (3) where emotional involvement with details irrelevant to winning distracts low-Mach. Thus, if ends cannot justify the means, or if there are absolute standards of behavior, or if the situational factors noted above are not in evidence then, the ability to predict a high-Mach' performance will be severely curtailed.

1.1 Literature review

Machiavellian behavior being a common stereotype of business behavior as such has been widely researched in business setting (McLean and Jones, 1992). Nevertheless, there are also may research within organizational setting. Topoi and Gable (1990) in their study find managers are no more Machiavellian than other executives. Their study however shows that executives in higher level management positions are less Machiavellian than those in lower level positions. Singhapakdi and Vitell (1990) study on the other hand indicates that high Machiavellian-oriented managers are less ethically sensitive and that they tend to agree less with ethical policies or rules of behavior than low Machiavellian managers. Accordingly, high Machiavellian-oriented managers tend to perceive ethical problems as less serious thus appear reluctant to punish unethical behavior (Singhapakdi, 1993).

Many of the research work on Machiavellian personality have been conducted in the west especially among current and future business executives (Hegarty and Sims, 1978; Chonko, 1982; Singhapakdi and Vitell, 1990). Robinson and Shaver (1973) reviewing various studies on Machiavellianism found different degrees of Machiavellianism between generations, which indicate that people are becoming more manipulative and impersonal. Based on their research Christie and Geis (1970) conclude that Machiavellianism exists across cultures (both Eastern and Western cultures).

Literature also offers evidence of differences in the Machiavellian orientation associated with demographic characteristics. Younger individuals have been found to be more Machiavellian than older persons (Hunt and Chonko, 1984; Rawwas and Singhapakdi, 1998; Webster and Harmon, 2002). In addition, educational level and sex have also been found to be significant predictors of Machiavellianism. Most studies have reported a statistically significant and higher males' orientation toward Machiavellianism (Chonko, 1982; Miesing and Preble, 1985; Hegarty and Sims, 1978). However, a study by Topoi and Gable (1990) finds female executives have a higher Machiavellian orientation than their male counterparts. Research work of Chonko (1982) and Gable and Topoi (1988) however offer evidence that males score statistically higher and significantly than females on the Mach scale.

Research by Burke and Witt (2004) meanwhile suggests that Machiavellian characteristics are related to leadership behaviors, counterproductive work, disengagement, low job satisfaction, and occupational choice. Employees who score high in Machiavellian tendencies tend to be manipulative, economically opportunistic, dislike working in groups and unlikely to be considerate of others in leadership positions. Fox and Spector (1999) also find high Machiavellians to be prone to counterproductive work behaviors that harm the well-being of the organization. Counterproductive work behaviors include issues such as theft, opportunism, and defection. In term of occupational choice Corzine (1997) finds individuals with high Machiavellian scores often work in management and law; possibly due to the fact that such positions provide resources and a means of controlling others. Corzine's finding is in support of finding made by Jay (1968) and Buskirk (1974) who have link Machiavelli' personality and managerial positions. Other researches also find successful salespeople having a certain level of Machiavellianism and that some degree of aggressiveness and manipulateness are necessary to close sales (Greenberg & Mayer, 1964; Willet & Pennington, 1966; Christie & Geis, 1970; Olshavsky, 1973).

On the other hand, the study by Christie and Geis (1970) finds that the less educated people score higher on the Machiavellian scale than better-educated people. In their study, Miesing and Preble's (1985) find that postgraduates and those with work experience are less Machiavellian as compared to undergraduates and those without work experience. Their finding also shows that respondents with some religious convictions are less Machiavellian in their dealings.

Based on the literature, this study sets to discuss Machiavellian orientation among Malaysian employees. These objectives are achieved through the following questions:

1. Do Malaysian employees have high Machiavellian orientation?
2. Are there differences in Machiavellian orientation among employees according to gender, job position, organization category and length of service categories?

2. METHOD AND MATERIAL

A total of 230 Mach IV questionnaires were randomly distributed among employees in six organizations representing government agencies, statutory body and private companies. However, only 200 completed questionnaires were returned and used in the final analysis. Table 1 shows the distribution of respondents according to organization categories.

Table 1: Organization Categories and Number of Respondents (n)

No.	Organization Category	Number of Respondents (n)
1	Government Agency	72
2	Company	99
3	Statutory Body	29
Total		200

According to Jaffe et al. (1989) the Mach IV scale developed by Christie and Geis (1970) measures an individual's willingness to put self-interest and his or her preferences above the interests of the group, and an individual's ability to influence and manipulate others for personal gain. March IV questionnaire contains 20 items, with ten items worded in a Machiavellian direction and ten items in the opposite direction. Respondents must indicate their agreement or disagreement with each item on a five-point Likert scale. A subject's Machiavellian score was calculated by summing the responses on the 20 Machiavellian questions. A cut-off score of 75 was used to divide the subjects into low Machiavellian and high Machiavellian groups. In getting the employees to participate they were assured of confidentiality and that participation was voluntary.

Basically, while all Malaysian employees have been exposed to English language during their school day however for the majority their competency in English is rather week. In order to enhance respondents' response to the questionnaire, every question in its original English version is accompanied with a Malay translation. The Malay translation was developed through careful translation and back-translation techniques as suggested by Brislin (1970) and McGorry (2000). The twenty-item Mach IV scale was first translated into Malay and then back-translated into English by a bilingual expert. This process minimizes the discrepancies between the English and the Malay measurements. This is consistent with Berry (1980) suggestions that the goal of translation is to obtain instruments that elicit responses which convey similar meanings to members of various groups (i.e. "conceptual equivalence"). The translation process also take notice of Phillips (1959) cautions that a literal translation of an instrument is not sufficient for conveying the equivalent of an instrument in cross-cultural research. However, Phillips (1959) noted that a complete semantic equivalence in cross-cultural studies is a statistical fiction. In ensuring the Malay version of Mach IV is reliable a pilot test was conducted on 50 respondents. Part-whole correlation test between individual items and the overall scale when carried out showed that all individual items of the Malay version correlates positively and significantly with the overall scale (all items have correlation coefficient value of above $r = 0.31$ and significant at $p < .05$).

The March IV scale is comparatively shorter than many other scales of its type and also a well-validated measure of Machiavellian-type behavior. Testing on a sample of 1,700 undergraduate college students, Christie and Geis, (1970) obtained the mean split half reliability averaged of 0.79. Malinowski (2009) also finds Mach IV scale to be reliable with a

split-half reliability correlation of 0.79. Ghosh and Grain (1996) in a study of tax compliance behavior obtained a cronbach coefficient of 0.74, whereas Hunt and Chonko (1984) in their study among marketing practitioners obtained a coefficient of 0.76. For this study the internal consistency reliability is alpha 0.83. According to Flynn et al. (1994) an empirically-validated scales can be used directly in other studies in the field for different populations and for longitudinal studies. For exploratory research, Nunnally (1978) suggested that an alpha value of 0.60 is sufficient.

For analysis, this study uses descriptive statistics which include the mean and standard deviations. For research question 1 the overall mean score is used as a basis to determine Machiavellian orientation among Malaysian workers. For research question 2, *t*-test and ANOVA test is used where appropriate. An independent sample comparison of means is used to compare the variables and determine if significant differences exist.

3. RESULTS AND DISCUSSIONS

Overall the results of this study show Malaysian workers recorded a high mean score of 90.88 (SD = 7.147) on the Mach IV scale. Basically this shows that Malaysian workers are high on Machiavellian orientation. This finding corroborates with Christie and Geis's (1970) conclusion that Machiavellianism exists across cultures and are more likely to be found in "transitional" cultures. Malaysia, a nation wanting to become a fully developed country by the year 2020 is currently undergoing transformation process thus exist a "transitional" culture as it move forward to achieve its goal and thus fit into this description. It is therefore not surprising to find Malaysian workers high on Machiavellian orientation. Under a state of transition one sees many rules being broken up in order to facilitate changes. According to Christie and Geis's (1970) situation where there is only a minimum number of rules and regulations allows latitude for improvisation thus provides a suitable environment for Machiavellianism to flourish. Nonetheless, the high Machiavellianism orientation among Malaysian workers can be translated as a good sign for Malaysia in achieving its vision 2020 provided however they possess the positive traits of Machiavelli especially in fulfilling the government's slogan of change **"1Malaysia – People First, Performance Now"**. Possessing the negative traits of Machiavelli will find workers prone to counterproductive work behaviors such as theft, opportunism, and defection that can harm the well-being of the organization (Fox and Spector, 1999).

As for the second research question that looks into the demographic factors of respondents the findings of the analysis are shown in Table 2. In term of gender differences the findings show the male respondents has a slight higher orientation toward Machiavellianism (M=91.34 (SD=5.84) as compared to females (M=90.52, SD=8.03). The results of the independent samples *t*-test to compare the differences in Machiavellianism orientation between male and female workers however show that the differences are not significant [*t*(198) = 0.808, *p* = 0.42].

Table 2: Mean and Standard Deviation of Variables under Study

Demographic Factors	Number of Respondents (N)	Mean (M)	Standard Deviation (SD)
<i>Gender</i>			
Male	88	91.34	5.84
Female	112	90.52	8.03
<i>Job Position</i>			
Executive	38	91.53	6.99
Non-Executive	162	90.98	6.59

<i>Organizations</i>			
Government	72	90.28	9.56
Statutory Body	29	90.07	5.69
Company	99	91.56	5.23
<i>Tenure</i>			
1year– 10 years	95	90.80	7.54
11years–20 years	49	91.02	7.83
21years and above	56	90.89	5.85

This result adds to the already conflicting findings. It neither support the findings of Chonko (1982), Gable and Topoi (1988), Hegarty and Sims (1978), and Miesing and Preble (1985) that men are more Machiavellian than women. The findings of this study also do not support findings of Topoi and Gable (1990) that female executives have a higher Machiavellian orientation than their male counterparts. In fact, the findings of this research reveal that both males and females are equally high on Machiavellian orientation.

With regard to job position results in Table 2 shows that mean score for executives is 91.34 (SD=6.99) and for non-executives is 90.98 (SD=6.59). Although there is a slight differences in mean score again the differences is not significant [$t(191) = 0.446$, $p = 0.66$]. The findings of this study simply show that irrespective whether respondents are in the executive or non-executive position, both are high on Machiavellian orientation. Taking into consideration of the hierarchical factor, findings of this study adds on information to the existing literature on Machiavellian personality among executives. While Topoi and Gable (1990) study focus onto managers and other executives to find that managers are no more Machiavellian than other executives, this research study is between executives and non-executives. To certain extends findings of this study also did not support Jay's (1967) and Buskirk's (1974) proposition that linked Machiavelli' personality with managerial positions.

The results for organization categories also showed that workers whether they are in government agencies, statutory bodies or companies; all scoring high on Machiavellian's scale. Table 2 show that the mean score for employees in company is 91.56 (SD=5.23), government is 90.28 (SD=9.56), and statutory body is 90.07 (SD=5.69). Results of the ANOVA test on the sample size ($n=200$) also show that there are no significant differences in the level of Machiavellianism between employees in the organization category [$F(2, 197) = 0.884$, $p=0.42$]. These findings showed that regardless of whether the workers are in the government or private sectors; they are Machiavellians.

Table 2 also shows the results of Machiavellian orientation according to length of service. The findings show that the total mean score for respondents serving 1-10 years is $M=90.80$ (SD=7.54); 11-20 years is $M=91.02$ (SD=7.83), and above 21 years is $M=90.89$ (SD=5.85). Results of the ANOVA test on the sample size ($n=90$) also show that there are no significant differences between employees within the respective length of service category [$F(2, 197) = 0.015$, $p=0.99$]. In conclusion, findings of this study show that regardless of their length of service there are no significant differences in the level of Machiavellian orientation among the workers and that they all score high on Machiavellian scale. Therefore the results of this study did not support findings of Miesing and Preble (1985) that employees with working experience were less Machiavellian as compared to those without work experience.

4. LIMITATIONS AND FUTURE RESEARCH

The results of this study should be viewed with caution since it involved only a limited number of organizations. Therefore, the findings cannot be truly representing the Machiavellian orientation of the larger segment of the Malaysian workers population. In fact, it is not the intention of this exploratory study to generalize its findings. Another constraint of this research is that the data being reported came from a questionnaire survey. Among the limitations that

come with a survey research application are; general issues of questionnaire understandability and readability, scaling issues, measurement errors, and "halo" effect.

As Malaysia move toward being a high-income nation and moving towards material issues this does not mean Malaysian workers being high on Machiavellians are also becoming more manipulative like the Americans. Kolb et al. (1986) in their study find Americans to be more manipulative in their behavior while Greene (1986) finds Americans are more concerned with material issues than with developing a meaningful philosophy of life. Therefore, further study needs to be undertaken before concluding being Machiavellians; Malaysian workers are manipulative. Findings of this study that show no gender differences in Machiavellian orientation among respondents also warrant additional studies. This is especially important since literature on this behavior thus far have shown mixed findings.

5. CONCLUSION

This paper revisited the trait approaches in describing Malaysian workers. While this study showed respondents score high on Machiavellian scale nevertheless it did not go beyond to find whether the workers possessed the negative or positive traits of Machiavellianism. Therefore, this study did not find whether Malaysian workers are manipulative and deceitful or more assertive and have superb negotiation skills. Positive traits of Machiavellians are indeed important for organizations to succeed and stay successful. It is such an important asset if organizations possess individuals having positive traits of Machiavelli. As such it is the function of human resource department to have and use tools that can help unveil the Machiavellianism in candidates seeking to join the organization. To conclude, it is important for organizations to find employees in the word of Rocha (2010); being Machiavellian in the true sense of the word, without being Machiavellian, in the popular definition; that is, being effective without being unethical.

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**ID017 – The Relationship between Compensation System and Employee Performance
at Cosmopoint College in Peninsular Malaysia**

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Abstract

Compensation covers everything an employer offers to an employee in return for their work. Compensation system for employees plays a significant role in various areas of the workplace and may affect employee performance, productivity, turnover as well as worker's morale. Since Cosmopoint College has 25 years' experience in higher education field, the management has established compensation system in order to boost the performance of both employee and organization. The main purpose of this study is to determine the relationship between compensation system and employee performance among employees at Cosmopoint College in Peninsular Malaysia. The elements of compensation that examined in this study include base pay, bonus and benefits, job promotion, delegation of work and also appreciation and recognition. A total number of 127 employees from 190 employees working in Cosmopoint College will be selected as the sample for this study using stratified random sampling method. Hopefully, the findings of this study will notify all level of employees working at Cosmopoint College that their contributions and performance are actually appreciated by the employers but it might compensate in different ways.

Keywords: *compensation system, employee performance, base pay, bonus and benefits, higher education*

1. INTRODUCTION

Employees are considered as one of the most important assets in the company; therefore, they should be professionally and wisely managed (Feraro-Banta & Shaikh, 2017). According to Osibanjo, Adeniji, & Olubusayo (2014), the success or failure of organizations is based on the capability of the employers to attract, maintain and reward accurately talented and competent employees. Meanwhile, according to Mondy (2008), pay and performance are directly associated with accomplishing organizational goals, and employees who best achieve their parts of organizations goals will be rewarded. This indicates that compensation is a motivator or reinforcement in encouraging the employees to improve their performance and increases their commitment towards the organizational goals (Govindarajulu & Daily, 2004). Nevertheless, the compensation system which is fair and equal is more required and appealing to employees.

Goncharuk & Monat (2009) stated that reward is one of the elements to improve employees' performance but the reward itself must be fairness and provided immediately after the desired behaviour. Similarly, Morris, Yaacob, & Wood (2004) also stated that the organization needs to give equal pay for the employees to inspire them to make the improvement.

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1.1 Problem statement of the study

Establishing effective compensation and benefits packages in a competitive environment remains as a challenge for most of the organizations today in designing and administering effective and cost efficient compensation and benefit plans. Human resource and rewards professionals across organizations are struggling to come out with a remuneration package with flexible benefits that suit all employees and at the same time align with business goals. If this is not handled well, the organization will lose its market competitiveness and face talent attrition (The HR Tech Weekly, 2017). Employees' performance is an important element to build the good reputation for the outsider towards the image of the organization and also can prove the prominent capabilities of the employees within an organization.

Compensation is an important issue since pay is perceived to be an indicator of employee personal performance and market value to the organization (Appelbaum & Mackenzie, 1996). However, some of the organization emphasizes more in the profit until they ignore the rewards of the employees. Malaysian higher education institution has suffered from high labour turnover amongst academic staff for many years. One of the principal causes of high staff turnover is low employee commitment. Key factors underlying the commitment of employees to both particular careers and organizations are pay and promotion policies. Both pay and promotion have been recognized as potential problem issues in Malaysian higher education for many years (Morris et al., 2004). According to Payos (2015), compensation is a highly sensitive issue. It can motivate and also de-motivate employees. That why it is said that compensation system can give success to the company but at the same time it also can be counterproductive if it is not properly administered.

In addition, Ciarniene & Vienazindiena (2010) claimed that strong incentive programs provide potential that can be realized if the promised incentives are met by employers and employees. However, in the waiver of well-defined indicators and a best practices framework, even the most comprehensive program will be jeopardized. Some of the top management utilizes "one program fits all" approach to implement the compensation system in an organization (Govindarajulu & Daily, 2004). This will reduce employee's satisfaction and also produce poor performance due to every individual employees have different needs and they pursue different compensation return by their efforts and contributions. Although compensation is the major to attract to the employee and motivate employee to increases the performance but there is argument that mostly individuals that getting higher education are not satisfied with their jobs and their turnover rate is high. For organization to overcome this problem, they need to design the compensation plan in order to retain the employees as well as to attract and motivate them to perform better (Hameed et al., 2014).

1.2 Literature review

Employee performance refers to employee activities and behaviours that are relevant to organizational goals that control by employees themselves (Rabbanee, Burford, & Ramaseshan, 2015). Employee performances improve the organization process so that it can be efficient and productive through the activities and task performed by an employee proficiently and effectively. It also can be accessed by managers through different mechanisms (Saleem & Amin, 2013). According to Ahmad, Farrukh, & Nazir (2015), there are numerous factors that impact employee performance such as monetary benefits, training programs, non-monetary benefits, organizational support, etc.

Realistic compensation given to employees ensures the higher employee productivity. On the contrary, lower compensation given to employee result in lower employee productivity (Theresa & Henry, 2017). Compensation is one of the forces that motivate workers. Well compensated employees are more encouraged, assured and will have the positive feeling towards their job and they are more satisfied with their job (Muguongo, Muguna, & Muriithi, 2015). The greater the senses of satisfaction in employees, it will motivate them to perform better (Hendra & Rezki, 2015).

Element of compensation such as base pay, bonus and benefits, job promotion, delegation of work, and appreciation and recognition have been perceived to contribute to the job performance. Theresa & Henry (2017) claimed that most company determined their employee base pay on employee's job description and position. Their absence demotivates employees but their presence may not necessarily motivate the employees as it is something that they expect to get it in any way (Gohari et al., 2014).

Additionally, bonuses and fringe benefits are other forms of compensation rewarded to employees for their good performance in order to motivate them to perform better (Nzyoka & Orwa, 2016). The different motivating elements like promotion and bonuses, and suitable payment compensation have significant connection with higher performance (Gohari, Ahmadloo, Boroujeni, & Hosseinipour, 2013). The fact that an organization offers benefits over and above basic reward is part of engagement activity that promotes higher performance and clearer thinking about what benefits are actually for (Fisher, 2017).

Moreover, employees that feel promotion decisions are fair are more committed to the organization, show more satisfaction in their work and perform better and more loyal to the organization (Mustapha & Zakaria, 2013). According to Saharuddin & Sulaiman (2016), promotion is a sign of recognition of employee performance. Well-performed employee will have a better chance to be promoted. Thus promotions are very important for the company, because the promotion means the stability of the company and employee morale will be more assured.

On the other hand, organizing and managing delegation is the key tasks that leaders perform. Delegation is widely admitted to be an essential element of effective management. The delegation positively affects employee performance and satisfaction. It also showed that leader delegation leads to higher levels of perceived leader ability and performance. Delegation provides lower level employees opportunity to seek new experience and knowledge since they are responsible for to task that previously held by their superior. This ensures the improvement in an organization (Banford, Buckley, & Roberts, 2014). Many potential benefits from delegation such as enhance employee learning, building employee skills and knowledge and many more (Lyons, 2016).

Norida, Shonubi, Rahman, & Norhidayu (2016) claimed that recognition and appreciation is also the two important tool in promoting employers and employees motivation and also organizational success. The impact of employee's perception of their professional skill recognition and appreciation on their emotional state in line with motivational behavior at work increases the performance and productivity of employee (Bhagat, 2014). Employee recognition also is getting more importance and gaining more attention as the motivational strategies (Feys, Anseel, & Wille, 2013).

The theories that formed the bases on which this study was anchored were Maslow Hierarchy of Need Theory and Herzberg's Two-Factor Theory. Maslow Hierarchy of Need Theory organized five major type of human needs into a hierarchy. The need hierarchy illustrates Maslow's conception of people satisfying their needs in a specific order from bottom to top. According to Maslow, people are motivated to satisfy the lower needs before they try to satisfy the higher needs. Maslow's hierarchy is a simplistic and not altogether an accurate theory of human motivation. Meanwhile, Herzberg's Two-Factor Theory divides Maslow's hierarchy into a lower-level and higher-level set of needs and suggests that the best way to provide motivation for an employee is to offer to satisfy the person's higher order needs, ego and self-actualization. The Financial Reward Approach Herzberg two-factor theory has attained general acceptability from management and scholars. It encourages managers to provide higher-level need satisfaction for their employee. The financial reward approach tries to explain the relationship between money and motivation. According to this view, people are

primarily motivated by financial reward and will be motivated to better performance if rewards and penalties are directly tied to the result they achieve.

The conceptual framework for this study describes the relationship between compensation system and employee performance at Cosmopoint College in Peninsular Malaysia. This conceptual framework divided into two categories; dependent variable and independent variable. In this study, employee performance is the dependent variable that is affected. Meanwhile base pay, bonus and benefits, job promotion, the delegation of work, and appreciation and recognition are the independent variables that influence. An analysis will be conducted to identify how these variable influence employee performances. These entire variables also will be examined to determine which of the variable correlate most with employee performance.

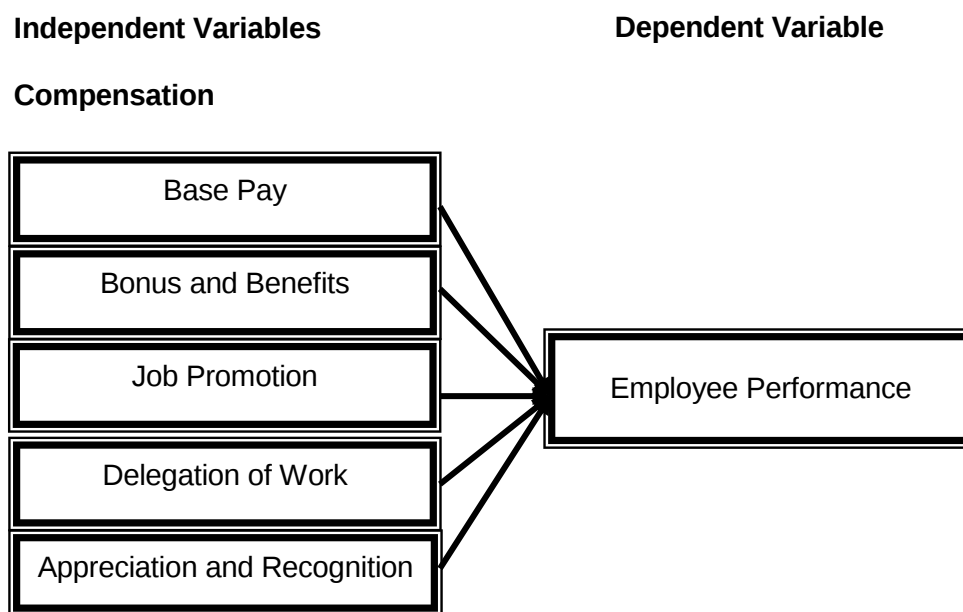


Figure 1: Theoretical framework

2. METHOD AND MATERIAL

The purpose of this study is to examine the relationship between compensation systems as the independent variables and its impact on employee performance as the dependent variable. A correlational study will be used to examine the relationship between these two variables and it will be carried out in a natural or normal environment. The population of the study will be comprised of 190 employees at Cosmopoint College in Peninsular Malaysia. The population in this study comprise of all employees whether academic or non-academic from various department such as academic, operation, and sales and marketing.

The study will apply stratified random sampling procedures in order to obtain the respondents in answering the questionnaires. This method considers the best, due to the fact that employees in Cosmopoint College are classified into department levels. The sample was picked randomly from the list of staff per department. A sample size of 127 employees is used based on the table developed by Krejcie and Morgan (1970). In this study, the problem statement is focuses on how compensation system influences individual employee performance in an organization. The data gathered from each individual response will be treated as an individual data source. Therefore, the unit of analysis in this study is the individual employees working at all Cosmopoint College in Peninsular Malaysia.

2.1 Data collection method

Data collection that will be used during the study is questionnaire. The questionnaire will be divided into three main sections, Section A, Section B, and Section C. The questionnaire was adopted and modified from the past literature reviews. Section A of the questionnaire is design to obtain background information from the respondents. This section includes five items which consist of age, gender, educational level, department, and length of service. Section B consists of the questions regarding to the importance of compensation system toward employee performance. The reaction of respondents on their job performance towards compensation system will be evaluated in this section. The last section, Section C comprise of the questions regarding the elements of compensation systems that consider will bring the effect to the employee job performance and also the questions regarding the most valuable or significant compensation element to the employees. The elements of compensation system used in this study were, base pay, bonus and benefits, job promotion, delegation of work and appreciation and recognition. Section B and C consist of question on a five-point Likert Scale.

3. PLAN FOR DATA ANALYSIS

The researcher used Statistical Package for the Social Science (SPSS) version 22.0 to examine the data and convert the data into the conclusion. The relationship between the independent and dependent variables can be determined through descriptive statistics and inferential statistics such as Pearson Correlation and Multiple Linear Regression. Pearson Correlation is a measure used to determine the strength and the direction of the relationship between two variables (Sekaran & Bougie, 2016). It helps the researcher to analyze the strength relationships between elements of compensation system and employees' performance by observe the value of coefficient (r).

Multiple regression analysis is used to test on the impact of more than one independent variables towards dependent variable (Sekaran & Bougie, 2016). Multiple regression allow the researcher to test more than one of the independent variables in predicting the relationship with dependent variables by looking at its significant value ($p < 0.05$). The dominant elements of compensation can be identified through observing its beta value. The largest beta value of particular element among others, it will be considered as the dominant element of compensations. Moreover, R square (R^2) value was used to illustrate the parentage for components of compensations contributed approximately to the employee's job performance.

4. CONCLUSIONS AND RECOMMENDATIONS

In the era of highly competitive employment in the private higher education field, employers need to offer their employees with a compensation package that would enable them attract, retain and motivate employees. From the previous study conducted by other researchers, it shown that the compensation has a direct influence on employee performance. However, this can be achieved if there is a proper communication between both employees and employer regarding compensation and benefits system in an organization. The compensation must be perceived as equal from the employee perspective.

Hopefully, the findings of this study will help the management to implement the extrinsic and intrinsic rewards for improving the performance of employees and increasing the employee commitment and loyalty towards the organization.

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ID038 – Critical Factors Effectuated by Employees' Turnover: A Case in a Private College

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Abstract

Nowadays, the issue of employee turnover has raised quite a number of concerns in the industries as a result of its effect on productivity. Measuring employee turnover can be helpful to employers to examine reasons for turnover or estimate the cost-to-hire for budget purposes. It can be costly for any businesses. The main trust of this study is to identify the factors that can effect of employee turnover towards organization at Kolej Yayasan Pahang. The factors that had been analyzed are costs, work life balance and employee performance, meanwhile the outcome that is being measured is the effect of employee turnover towards organization. This research has two objectives and the major objective is to find the most critical factor that can contribute the effect of employee turnover at Kolej Yayasan Pahang. This research was done by conducting a survey and the questionnaires were distributed to employees at Kolej Yayasan Pahang. It involves all employee who were working at Kolej Yayasan Pahang which come from four (4) campus which are Kolej Yayasan Pahang Taman Gelora Campus, Kolej Yayasan Pahang Indera Mahkota Campus, IKIP Advanced Skills College (IASC) and Program Pembangunan Tamadun Masyarakat Asli (PETAMA). The total number of population of the four (4) campuses is 331 employees. In connection with this, a set of questionnaire was distributed to 180 respondents and data were analyzed using Statistical Package for the Social Science (SPSS) version 23 with regard to the reliability analysis, frequency analysis, descriptive analysis, correlation analysis and multiple regression analysis. Overall, the results showed that the variables (costs, work life balance and employee performance) can affect the employee turnover towards organization at Kolej Yayasan Pahang. Therefore, this study can help the employer to be more proactive in ensuring the work life balance and abilities of employees. Hopefully, by addressing these areas can ensure job satisfaction and less turnover. The proposed area concerns to institute new ideas and skill into the organization; it is also led to difficulties in attracting new staff. To reduce the rate of turnover, management advice to review condition of service for employees; and also ensure that the work life balance is practiced. Hence, the study suggested comparing the result within two or more private colleges to enhance worthy impact.

Keywords: employee turnover; organization; work life balance; employee performance; costs.

1. INTRODUCTION

This study has been conducted at Kolej Yayasan Pahang also known as KYP, which are located at 2nd floor of Kompleks Yayasan Pahang, Tanjung Lumpur. The main purpose of this research is to study the effect of employee turnover at Kolej Yayasan Pahang and to determine the most critical factor that contribute to the employee turnover at Kolej Yayasan Pahang, Tanjung Lumpur and propose the better improvement plan to the organization.

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The researcher can see the employee turnover at Kolej Yayasan Pahang due to number of employee leave the organization increase year by year. From the HR department record, it happens that Kolej Yayasan Pahang having an employee turnover problem in their organization. This research mainly focuses on the employee turnover and the effect might influence employee turnover since the researcher wants to know what the most influence factor that can effect due to the increasing in employee turnover.

This research focuses on the critical factors affected by employees' turnover at Kolej Yayasan Pahang. The scope of this research are to identify and investigate all employee turnover factors such as costs, work life balance and employee performance and how it will affect the employee turnover in Kolej Yayasan Pahang.

1.1 Problem statement of the study

Over the last decade, staff turnover in organizations has received attention among academicians and professionals in equal measures. While much of the target has been given on understanding the effect of staff turnover, Mosadeghrad (2013). Kolej Yayasan Pahang is one of those organizations that suffer from employee turnover as much as 16% in year 2016 from employee in academic department or nonacademic department. Currently the organizations are facing a frequent turnover of staff for previous years, and as such the high turnover is costing the organizations in terms of money and time to replace and train new employees. Below indicate the records of Kolej Yayasan Pahang employee turnover rate.

Table 1.1: Records of Employee Turnover Rate

No	Year	Total of Employee	Total of Employee Turnover	Turnover Rate
1	2012	201	9	4%
2	2013	208	4	2%
3	2014	209	15	7%
4	2015	223	21	9%
5	2016	277	44	16%

Therefore, based on the statement above, the researchers are interested to study the effect that influence in increasing employee turnover and the researcher are interested to know which the crucial factor might affect the employee turnover at Kolej Yayasan Pahang.

1.2 Literature review

Employee Turnover

According to Employee Akinruwa, Ajayi and Akeke (2014), turnover is the rate at which employees leave an organization and have to be replaced by new or existing staff. But, when dealing with replacing exiting employees it is refer to a huge cost to the organizations and harmful to service delivery. This has a significant level of negative effect on the organization's performance.

Many authors have different definition about employee turnover such as Bilau, et. al (2015) believed that labor turnover measures the movement of workers in and out of employment with particular firm, the issue and concern in measuring such movement only appear when working for an employer (rather than self-employment). Thus, according to Boe, Cook & Sunderland (2008), labor turnover as the rate at which an employer gains and losses employees. Thus, in this study labor turnover can be described as how long employees tend to stay or left the organization.

There are many negative effect of employee turnover such as incurred costs, work life balance, employee performance, customer dissatisfaction, wasteful in resources, productivity and efficiency and others. Based on the sentences above it can be supported by Butali, Poipoi and Laura (2013) which is staff turnover can have a negative effect on an organization.

Meanwhile Mohammed, Lai, Daskalaki, Saridakis, (2016), argued that the employee turnover may increase organizational performance

Saeed, et. al (2013) stated that the performance of the employees increasingly dissatisfied, they will give the result of leaving or dismissing the organization. It is also check out that most of the interpersonal relations directly contribute to the emotional reactions to their workplace and the employees are willing to leave the organization without any doubt. Willingness to leave the organization is not always contributing to the turnover because there are some other factors that intermediate this relation. Some other behavioral actions are involving in reduction of job involvement, low satisfaction, turnover and absenteeism.

Costs

Costs are the one of the factor that give affected to the employee turnover in the organization. Cost can be divided into two categories such as direct cost and non-direct cost. The sentences can be supported by Buzeti, Klun and Stare (2016), when managing employee turnover costs, and it is helpful to know the critical cost categories related with turnover. Employee turnover involves the following costs such as the cost of displacement of an employee, the cost of hiring and training a new employee. The indirect costs of employee turnover may also include the costs of loss of business and/ or clients, building new relationships between employees (the new employee may also impact the reduced productivity of other employees), the loss of training an employee who is leaving his/her job.

Based on Mohammed R. A, & Gadhoum, (2016) there are certain costs of a turnover (e.g. interviewing, hiring, training, reduction of productivity, or etc.). Bilau et. al (2015) argue that employee turnover affect organizations in terms of measurable financial costs as well as intangible knowledge-based and productivity costs. In addition, other negative costs include separation, high time consumption in training replacements, and cash outlays. Researcher concluded by saying that the other costs can be less noticeable and harder to estimate but involve greater consequences.

Work Life Balance

Saeed et. Al (2013) define work life balance is the relationship of work and family responsibilities. Divergence between job life and family creates psychological ineffectiveness of the employees. Work life balance has become a critical issue for both employee and employer, lack of balance between work and non-work activities is related to decrease psychological and physical wellbeing an example of this is working during the weekends which has been linked to stress and emotional exhaustion for employees. In general, Bricker et. al (2017) argued that employees show positive attitude towards work when employers execute to maintain a good work life balance.

Work life balance already studied by Armstrong, Atkin-Plunk, & Wells (2015) as one of the organizational dynamics which is negatively affected by high staff turnover within an organization. The result receives in this study confirmed this where most of the participants considered high staff turnover to be increasing stress at work, increasing their workload and disrupting teamwork within the organization. Hence, workers that were able to maintain work life balance showed more commitment to work. Balance in life and career could be achieved when an evenness between employees' priorities in their workplace and private lifestyle existed.

Twigg & McCullough (2014) said that high turnover rate will lead to the interruption in the continuity of care and also loss the ability of the workers to attain vital functions of management. Meanwhile most of the newly organizations are more concentrated on the issue so that they can make quality reputation in the world's market. Based on the Bilau et. al (2015), A researcher said that higher the evidence of the psych of employee and the turnover will lead to the increase in the unevenness of the work and family life of the employee.

Employee Performance

There are many researchers found that employee performance is most crucial factor that are impact towards employee turnover in the organization. Employee performance can be defined as the received consequences of actions with the skills of employees who perform in certain situation. Loss of employee talent interrupts the development of new products, disturb client relationships and delays customer deliverables. These production delays, along with replacement costs of employee turnover, negatively affect overall business performance and success Ton & Huckman (2008).

Based on Brown et. Al (2009)., employee turnover may increase organizational performance, an opportunity which has fascinated limited awareness in the existing literature, which concentrate on the impact of employee turnover rather than on the organizations performance is often linked with quantity of output, quality of output, timeliness of output, presence or attendance on the job, effectiveness of work and efficiency of the work completed.

Employee performance as set and measured by a supervisor or organization is the successful completion of tasks by a selected individual or individuals and to pre-defined acceptable standards while efficiently and effectively utilizing available resource within a changing environment. In the other side employee turnover negatively affect the overall efficiency of the organization by Tariq, Ramzan & Riaz (2013). Based on this two research above by Brown et. Al (2009) and Tariq, Ramzan & Riaz (2013), there are two contradictory opinions with regards to the effect of employee performance whether the employee performance have positive or negative effect to the employee turnover.

Aguinis and Kraiger (2009) described that “the definition of performance does not include the results of an employee’s behavior, but only the behaviors themselves. Performance is not about what employees produce or the outcomes of their work, it is about behavior or what employees do. Meanwhile, Hendry (2012) argues that while staff turnover can impact positively on the performances of organizations, it is associated with negative impacts in the most cases. This is because the loss of experienced employees can be harmful to the organization because it may interfere with the output within the organization.

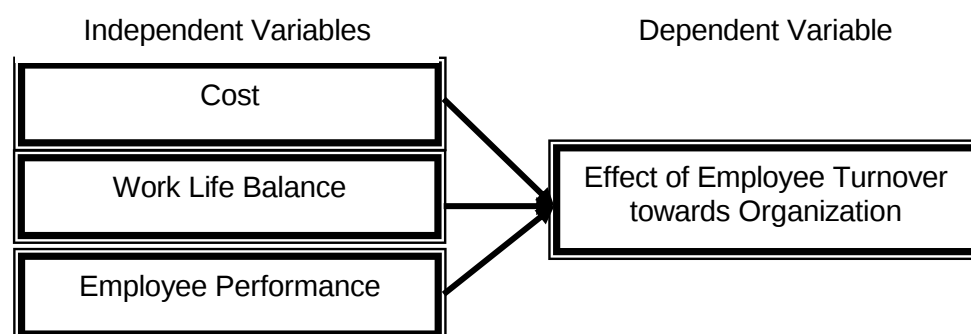


Figure 1: Theoretical framework

Based on the literature review, these are hypothesis developed:

Hypothesis 1:

- H₀ There is no relationship between costs and effect of employee turnover.
- H₁ There is a relationship between costs and effect of employee turnover

Hypothesis 2:

- H₀ There is no relationship between work life balance and effect of employee turnover.
- H₁ There is a relationship between work life balance and effect of employee turnover.

Hypothesis 3:

- H_0 There is no relationship between employee performance and effect of employee turnover.
- H_1 There is a relationship between employee performance and effect of employee turnover

Hypothesis 4:

- H_0 There is no relationship between costs, work life balance and employee performance towards effect of employee turnover.
- H_1 There is a relationship between costs, work life balance and employee performance towards effect of employee turnover.

2. METHOD AND MATERIAL

The study use probability sampling in the sampling techniques in order to gather information to complete the study. In the study, the researcher will be choosing to use Simple Random Sampling (SRS). This technique will be used because the element in population is known and equal chance of being selected as a subject. Researcher used Simple Random Sampling (SRS) by known total number of population and then choose the sample size needed. After know the total number of sample size researcher started distributed questionnaires to the employee by campuses. Based on the table the sample size needed for this study is 180. From that the researcher need to distributed questionnaire to all department in order to get information about this study accurately.

2.2 Data collection method

The researcher is used questionnaire for this study. Questionnaire will be distributed to 180 respondents. In the study, the researcher used questionnaire determined Likert scale by rating scale 1 (strongly disagree) to 5 (strongly agree) in order to collect information from the respondent. The questionnaire has 5 sections includes demographic characteristics, costs, work life balance and employee performance. Thus, secondary data used to support the primary data to make it more reliable and valid to get the strongest result. The researcher also refers or used the previous article and journal in gathering some information to conduct the study and can help the researcher write up the literature review.

3. ANALYSIS AND RESULTS

Table 3.1: Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.563 ^a	.316	.305	.48791

a. Predictors: (Constant), Employee Performance, Costs, Work Life Balance

b. Dependent Variable: Employee Turnover

Regression analysis was used to test the impact of four variables which is costs, work life balance and employee performance towards effect employee turnover. R-Square is the proportion of variance in the dependent variable (employee turnover) which can be predicted from the independent variables (costs, work life balance and employee performance). This value indicates that 31.6% of the variance in employee turnover can be predicted from the variables of employee turnover which are costs, work life balance and employee performance. The remaining 68.4% of the model will be explained by other variables.

Table 3.2: Coefficient

		Coefficients ^a						
		Unstandardized		Standardized				
		Coefficients		Coefficients		Collinearity Statistics		
Model		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	1.177	.318		3.701	.000		
	Costs	.234	.076	.227	3.080	.002	.715	1.398
	Work Life Balance	.322	.081	.303	3.990	.000	.673	1.487
	Employee Performance	.164	.063	.179	.2.602	.010	.821	1.217

a. Dependent Variable: Employee Turnover

Based on the table 3.2, it shows relationship for each variable. Researcher found the Beta value in Standardized Coefficients that out of the three independent variables which is work life balance (Beta= 0.303) the highest factor that influence toward effect employee turnover followed by costs (Beta= 0.227) and employee performance (Beta= 0.179). The work life balance has a higher value for beta which is has strong evidence being the factor that influence toward effect employee turnover. These three variables have truly influence the candidates when all these three variables were tested simultaneously. It also has positive relationship toward the effect of employee turnover.

4. DISCUSSION

The most critical factor that can give effect employee turnover towards organization at Kolej Yayasan Pahang is work life balance. It shows that the employee no need their own time due to need do a work or need working overtime because the increasing turnover at Kolej Yayasan Pahang. For the less critical factor that give effect to employee turnover towards organization at Kolej Yayasan Pahang is employee performance. It can be said that employees leave the organization simply because, they are not satisfied with their working conditions and this affect the organizational efficiency greatly in the sense that experienced workers leave and the organization has to spend money and time to hire, recruit, select and train new employees to replace those who have left. Even though the fact that employee's turnover has negative impact on the organization, it also has a positive impact that should not be overlooked. The positive effects balance the negative effects based on the study. It brings certain benefits to the organization so employee turnover should be allowed but kept at an average rate. The researcher also gives some recommendation in order to give benefit to other organization and future researcher. Based on the resulted, the researcher can have concluded either the variables (costs, work life balance and employee performance) has influence the effect employee turnover. From the result, the researcher will know that problem statement and research question has been answered or not. Before researcher fully implements this study, the researcher has conducted pilot test to get the result either it reliable or not.

5. CONCLUSIONS AND RECOMMENDATIONS

For the conclusion, the result from this study was match with the objective of study which is to identify the most critical factor that effect to the employee turnover at Kolej Yayasan Pahang. The analysis used was obtained from multiple regressions based on coefficient table. The data from coefficient table shows that all hypotheses with rejected nulls- H1, H2, H3 and H4 is

supported and accepted the significance. The most critical factor that can influence the effect of employee turnover rate of Kolej Yayasan Pahang is work life balance. The result from the study for H_1 which is the relationship between costs and employee turnover were positively related the most. It also means that the hypotheses were accepted and supported due to significance level <0.05 (Beta=0.303, $p<0.05$). This finding indicated that work life balance contributed the most critical effect in employee turnover. This study helps the researcher to understand how the factor may affect the employee turnover rate at Kolej Yayasan Pahang. For the future study, they need to change or use the suitable sampling technique such as stratified sampling when they need to study the same topic. Kolej Yayasan Pahang should implement restricted hours worked and overtime is optional. From that the employees have their own time to spend with their family. The organization also needs to provide information about work life balance to employees can foster a better culture. This idea can result in employees taking better care to ensure the balance exists. The study concerns to introduce new ideas and ability into the organization; it is also led to worries in attracting new staff. To reduce the rate of turnover, management advice to review condition of service for employees; and also ensure that the work life balance is practiced. Hence, the study proposed to match the result within two or more private colleges to enrich better result.

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ID039 – Generic Social Factors that Influence Graduate Employability

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Abstract

The purpose of this paper is to propose a study that investigates the relationship between generic social factors and graduate employability. This study will also identify the main factor that influences graduate employability from social perspective. Stakeholders which are higher learning institutions (HLIs), students and employers face challenges where there is mismatch between them. There is a gap between content and skill development at university with expectation set by the industry as they understand employability differently. Research outcomes reveal that the university that graduates attended shaped and developed experiences they acquired and this influences the employment market. Meanwhile, the success of the graduates is observed from the ability of degree programs to prepare them for real workplace challenges. In addition, age and gender are also factors that add to the overall indicators for employment. Thus, this proposed study will be carried out to discover the strength of association between the variables. Interestingly, the investigation will be made from employers' viewpoint.

Keywords: employability; age; gender; institution; degree program; employers

1. INTRODUCTION

In the year 2020, Malaysia aims to be a developed country. Various efforts and plans have been carried out and will surely be continued in transforming the nation (UNESCO, 2015). This also involves the education sector in Malaysia (Grapragasem, Krishnan, & Mansor, 2014). The government, through the Ministry of Education (MoE), hopes for transformations that will prepare skilled and knowledgeable younger generation for the needs of the 21st century, thus allowing them to better compete in demanding global workforce market (Aida, Norailis, & Rozaini, 2015; Grapragasem et al., 2014; KPM, 2015). The progress to realize the Vision 2020 can be contributed by manpower and entrepreneurs that are skillful and qualified as recognized by the industry since they are marketable and competitive (UNESCO, 2015).

It is the government's aim to produce high quality graduates across disciplines in recognition that the nation needs skillful and talented future workforce to carry out aspiration outlined and to continually contribute to Malaysia's development and prosperity. MoE aims to improve the quality of graduates by aspiring to increase the current 75% graduate employability rate to more than 80% in 2025. Previously, in 2006 to 2014, it was from 70% to 75% (KPM, 2015) Malaysia places significant focus on quality education as stipulated throughout all policy

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documents to support Vision 2020. The quality in education as for Malaysian context is replicated in the National Philosophy of Education or Falsafah Pendidikan Kebangsaan (FPK) that further simulated in the national curricular. This is done to ensure that graduates are well prepared with skills demanded in the 21st century (UNESCO, 2015).

Employability is defined as:

A set of achievements: skills, understandings and personal attributes that makes graduates more likely to gain employment and be successful in their chosen occupation, which benefits themselves, the workforce, the community and the economy. Employability is not merely an attribute of the new graduate. It needs to be continuously refreshed throughout a person's working life (Yorke, 2005).

Meanwhile, Malaysia's graduate employability applies this perspective:

It counts the number of graduates who are employed, self-employed, or in further education at the time of convocation, which is 3 to 6 months after they have completed their studies. It also measures the quality of teaching in terms of its effectiveness in preparing students for the workforce who meet the needs of the economy (KPM, 2015).

Yorke (2005) and KPM (2015) complement their perspective whereby employability as whether to be self-employed or work for a firm, requires for a certain set of achievements in terms of skill, understanding and personal attributes.

The employers set certain attributes and expectation from graduates as to fulfill the industry needs. The match between what the employers expect and what graduates have is very important for employability (Aida et al., 2015). Report, however, indicates there is inequality between industry needs and graduates' attributes that is lack of knowledge, skill and attitudes. This would be rather tough for the graduates to face in the ever-changing world resulted from technology advancement and altered types of future jobs (KPM, 2015).

1.1 Problem statement of the study

Stakeholders that are HLIs, students and employers face challenges where there is mismatch between them. There appears to be a gap between content and skill development at university with expectation set by the industry (Sumanasari, Yajid, & Khatibi, 2015). They understand employability differently (Mourshed, Farrell, & Barton, 2012; Sumanasari, Yajid & Khatibi, 2015) whereby HLIs seem to believe that they have successfully delivered their task in educating students with 70% of claims recorded. Unfortunately, only 40% of employers and graduates agree with this (Mourshed et al., 2012; Singh, Thambusamy, & Ramly, 2014). The same notion is also shared by the Ministry of Human Resource Malaysia (2013) whereby employment in Malaysia was hindered by educational and skill mismatches. This situation emerged due to the fact that HLIs produces graduates that have different perspective and concept between themselves and the industry (Wickramasinghe & Perera, 2010). This mismatch lead to variation of employability among graduates (Ariyawansa, 2008).

Every year, Malaysia produces more than 200,000 graduates from local higher learning institutions (HLIs), a big talent pool (Ministry of Education Malaysia, 2014). The question however is how far are they employed? This number has yet to provide enough ready-to-job graduate with the skills required by industry (Hidekatsu, Nixon, & Koen, 2017). The important part of this graduation is not only about the quantity but more importantly is the quality.

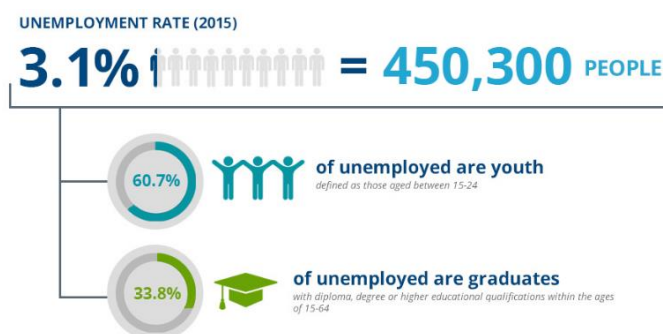


Figure 1: Malaysia Talent at a Glance (2015)

The issue on graduate unemployment has led to some questions for emerging economies related to its key policy whereby improvement to the quality of education system must be made. This enhancement is crucial in ensuring human resource readiness and the matching between the labour market and skills needed by the industry (Dian, Mohd, & Mahyuddin, 2017). Employability is an issue that will always be a main concern for many governments (Kelly, Singer, & Herrington, 2015; Omar & Rajoo, 2016). High percentage of unemployment reflects the low utilization of available human resource in a country and this will influence the economic growth. With such influences that unemployment brings to the nation, it is thus an urgent matter to be addressed extensively (Omar & Rajoo, 2016).

1.2 Literature review

Holmes (2001) mentioned that employability goes beyond the sole context of skill approach and proposed to include human behavior to further develop the subject matter in addition to a need for enhancement into the current curriculums. Changes in curriculum have led to the issue on cost effectiveness especially in the context of limited funding in developing such skills (Brown, Hesketh & Williams, 2003). Likewise, Knight & Yorke (2002) present the employability model that synergizes not only skill but also subject understanding and personal qualities. In addition, employability is also aim to encourage graduate to go for setting up own enterprise through the development of enterprising skills and values. To do this, it needs for a strategic integration between stakeholders namely the student, faculty and employer (Rae, 2007; Rosenberg, Heimler & Morote, 2012).

Interestingly, other than internal individual factor, external considerations are part of the employability concept namely the environmental, social and economic context (DHFETE, 2002). The importance of employability shared by United Nation where:

All countries need to review, re-think and re-orient their education, vocational training and labour market policies to facilitate the school to work transition and to give young people a head start in working life (UN, 2001).

In addition, lack of study reported to relate employability with the student's social structure whereby (Cashian, 2017) suggested for further investigation. Social structure whether tangible and intangible element could be contributing factors towards the employability enhancement among students. The factors among others are age, gender, institution and also the degree program.

Based on research by Ariyawansa (2008), in Sri Lanka, job opportunities and the quality of the degree differ by area of study such as between science and humanity graduates. This reveals that degree specialization counts the chances for graduate to be selected by employers thus this must be given an appropriate attention by graduates (Storen & Aamodt, 2010; Nilsson, 2010; Clarke, 2008). Parallel to this, an additional skills such as IT skills, leadership qualities, team-work, analytical ability, and interpersonal relationships are also important aspects of

employability. Each field of study has its own level of usefulness and even the differences between the field is relatively small (Storen & Aamodt, 2010). Nonetheless, vocational- based programs influence positively the employability as compared to non-vocational based field of study. The quality of the degree programs seems to be effective when it comes to 'doing the job' instead of 'getting a job' (Storen & Aamodt, 2010). Contribution and commitment from employer in degree course design are significant and positively impact the quality of graduates and their ability to secure job after graduation (Cranmer, 2007).

Employability should not be measured as an institutional achievement because it is mainly about the ability of individual graduates getting a job. Employability is also said to be something that allow student to be able to secure a job. The interactions that students have with the university and lecturers complicate the understanding of employability. The differences between the concept of employment and employability must be well established. This has led to a challenge on appreciating the role and effectiveness of HLIs to critically contribute to the overall concept (DBIS, 2016). Harvey (2010) argued that the employability is about the individual graduates' attributes rather than the university even though it is difficult to clearly differentiate what is contributed by the university and what is developed by graduates themselves (Harvey, 2010). The other opinion on employability, however, in a way indicates the ability and quality of HLIs in delivering its services (Storen & Aamodt, 2010). It also acts as a strong indicator to reflect the performance of HEI as they are a central that flow out quality and qualified manpower (Cashian, 2017). However, DBIS (2015) raised the issue on the impact of teaching on graduates' employability.

The gender of the graduates also influences the priorities and focus they put on employability skills. Male and female graduates perceived level of importance of employability skills differently. They both however agree that there is gap between the skill they possessed and the desired skill for employment. Thus, enhancement must be made to improve the transferable skills to graduates (Wickramasinghe & Perera, 2010). Age determines employment outcomes where mature graduates experience more difficulties in accessing suitable employment than their younger counterparts (Wilton, 2011). Wilton also notes that younger graduates may benefit more from employability interventions at university, such as skill development. Wilton found variations in employment trends by gender, supporting previous studies which indicate salary differentials (Webster, Castano & Palmen, 2011). and better long-term employment prospects for male graduates (Coates & Edwards 2011). To support this fact, Elias and Purcell's (2004) research found inequalities in gender in terms of the pay received as well as the types of profession chosen. Different gender also influences type of sector involved with different pay scheme attached to it. Furthermore, it will reflect the prospects of advancement in career availability for different gender (Tomlinson, 2012).

Age is a factor that demonstrate important characteristic in economically active population that form employability (Mourshed et al., 2012). Younger and matured graduates face different challenges in employability as younger graduates acquire more benefits (Brennan & Shah, 2003). Younger graduates need to be more concern on issues that go beyond their degree. Older and matured graduates who usually opt for part time study are more concerned on improving their current knowledge and understanding on one particular subject in order to enhance the employability. This fact indicated different ages reflect different employability outcome (Brennan & Shah, 2003). Matured graduates are able to share and incorporate their experiences to enhance employability (Pool & Sewell, 2007). In fact, employers are also favoring those part-time students that may have more opportunities due to their unique identities (Jackson, 2014). However, in terms of learning capability during the work experience, it does not reflect any differences in age. Graduates at all ages are capable of learning so they will be able to improve themselves in terms of skills and competencies required for employability (Pool & Sewell, 2007).

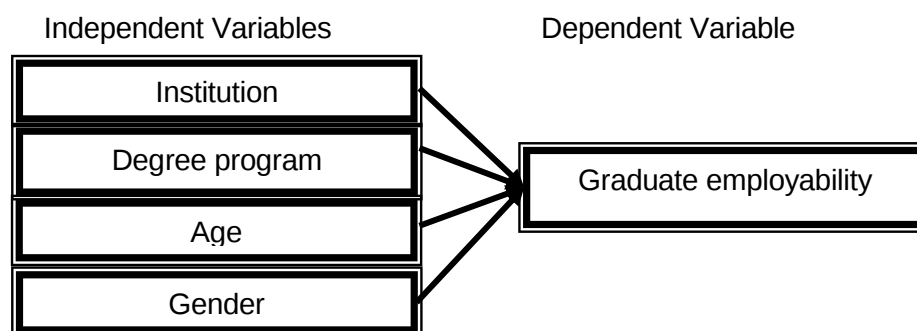


Figure 2: Theoretical framework

2. METHOD AND MATERIAL

The target populations for this research are employers from few categories that are government agencies, government-linked companies (GLCs), multinational companies (MNCs) and small and medium enterprises (SMEs). The researcher will apply non-probability sampling technique and use quota sampling. In order to obtain primary data, the research instrument will be a questionnaire. This designed questionnaire will be distributed to respondents thus more accurate information is expected to be obtained.

3. ANALYSIS

3.1 Validity Test

In order to measure the validity of the research instrument, Pearson Correlation will be conducted. This is to make sure that the questionnaire is valid in measuring the intended variables.

3.2 Reliability analysis

The purpose of this analysis is to identify how well items are positively correlated to one another by using Cronbach's Alpha.

3.2 Correlation

To determine the strength of relationship between the two variables, correlation will be applied.

3.3 Multiple regressions

This is a measuring technique of the linear association between independent variables and dependent variable. The purpose of regression is to predict the value of one variable on the other variable.

4. CONCLUSIONS

The variables used for this research are those items important to the overall employability from the social factor perspective. Evidences and findings from this study will be significant and useful for policymaker to make any adjustments needed in existing policy while at the same time it will provide inputs and guidance in formulating strategies to tackle related issues that will benefit all stakeholders. The expected outcomes of this study will justify its significance and contribution to the current academic knowledge and practical implications.

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ID042 - Reinforcing Social Identity's Employee through Organizational Engagement and Workplace Spirituality

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Abstract

Higher education or University is an institution playing substantial role in realizing an excellent nation. The institution's sustainability depends on how employee engaged in the organization. Once organizational engagement is achieved, it will be easy to determine their social identity. The purpose of this study is to build a reinforcement model of individual identity incorporated in an university or organization to improve the organization quality or achieve the organizational goals. The model is developed from theories of workplace spirituality, organizational citizenship behavior, learning orientation and social identity through organizational engagement. Several propositions and future research agenda are discussed.

Keywords: *workplace spirituality; organizational citizenship behavior; learning orientation; organizational engagement; social identity*

1. INTRODUCTION

There are many research discussed that in the workplace, employees are willing to acquire life value during their work in the organization (Terez, 2000, in Wirayanti, 2011). A life value can be termed as social identity. According to William James (in Walgito, 2002), social identity is more defined as a personal characteristic in social interaction, where one is everything that can be said about itself. It is known that the development of universities in Semarang-Indonesia., especially private Islamic universities, faces tremendous challenges in the globalization development and the advantage of information technology. Efforts to achieve the purpose of the implementation of quality education programs can be achieved through several things including by having a clear vision and mission, as well as having competent lecturers who have experience in international education world and have high learning orientation. One thing can be done by an organization or university to improve its quality or achieve its goals is by strengthening the individual identity of each member. One's identity is formed through the process of social identity which then makes it different from others. The recognition of one's social identity is very important for the person concerned, because the social identity proves the recognition of its existence in society.

The Importance of Human Resources or staff at a university is to strengthen the lecturers' social identity, hence the organization goals will be more easily achieved. One of the factors that encourage social identity is workplace spirituality. Ashmos and Duchon (2000) defines workplace spirituality as an individual self-understanding that they are spiritual being whose soul requires maintenance in the workplace with all values that are present within him. They experience a sense of having purpose and value in their work, as well as experience a sense of interconnectedness with others and with the community they are working in.

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On the other hand, Litzsey (2003) argues that workplace spirituality will make employees feel the meaning and feeling of life purpose. Not only making employees feel complete as a person but also provides benefits for the company in terms of profit, high moral and decreases the level of employees' absence.

Another factor affecting social identity is Organizational Citizenship Behavior (OCB). Yaghoubi, Salehi and Moloudi (2011) states that individuals who work elicit extra-role behaviour or OCB tend to be more willing to help others. This means that employees can generate optimal service performance when they not only meet the company's expectations (*inrole*), but also having extra-role. On the other side, learning orientation also affect the social identity. Ames (1998) states that learning orientation is an orientation where learning as a medium to achieve goals. In other words, learning is a tool used to achieve certain purposes. Sujan et al., (1994) states that learning orientation will improve performance and make employees to be more effective.

According to Corace and Charles J. (2007), organizational engagement is also indispensable because engagement is often seen as the key to elevate organizations to a higher-level. Organizational engagement is defined as a positive attitude, full of meaning and motivation characterized by passion, dedication and absorption. Passion is characterized by a high energy level, a desire to strive and not giving up facing challenges. Dedication is characterized by feeling worth, enthusiastic, inspiring, valuable and challenging. Absorption is characterized by full concentration on a task (Schaufeli, 2013). Some researches indicate that organizational engagement will increase the individual social identity of organization members.

1.1 Purpose/motivation/problem statement of the study

This research aims to develop a conceptual model to improve social identity through Workplace Spirituality, organizational citizenship behavior and Learning Orientation. This model is based on a concept that social identity becomes a substantial factor in improving organizational performance. From the results of literature review, it can be concluded that workplace spirituality, organizational citizenship behavior, and learning orientation will strengthen the employees' social identity within the organization.

2. METHOD AND MATERIAL

This paper deals with the development of conceptual model on how to improve employees' social identity through organizational citizenship behaviour and organizational engagement. This paper is based on secondary data which has been collected from books, journals, newspapers, and website. A conceptual framework has been developed describing the aspects of organizational citizenship behaviour, learning orientation and organizational engagement to generate employees' social identity.

3. ANALYSIS/RESULTS

Based on the above literature review, a conceptual model regarding to the improvement of organizational performance for service enterprise can be drawn as follows:

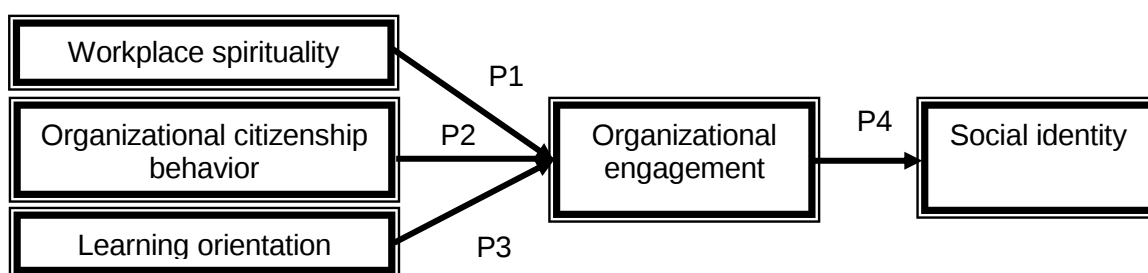


Figure 1: Conceptual Illustration

One thing has been done by universities to improve their quality and to achieve goals is through individual identity reinforcement. Social identity is formed through the existence of workplace spirituality, reinforcement of Organizational Citizenship Behavior, and Learning Orientation, as well as Organizational Involvement as mediator. This is because when individuals are within an organization, they are not solely completing their work, but they also want to find value and identity from the work and organization they are working for. Organizational Citizenship Behavior is embodied in the form of voluntary behavior, helping co-workers without expecting rewards either from colleagues, superiors, or even the organization. Moreover, learning orientation will motivate employees to keep learning new things. Educators who have organizational engagement with their college will have a high social identity. Organizational engagement will be formed if they feel well-treated and are in a pleasant work environment with the atmosphere of mutual support and respect between leaders and other employees. Therefore, the proposition developed in this study is as follows:

Proposition 1: Workplace spirituality (embodied by the interconnectivity among members within the organization, mutual respect for others, voluntarily work without expecting rewards, meaningfulness of work and clarity of life goals) will enhance organizational engagement.

Proposition 2: Organizational Citizenship Behavior (Organizational conformity, altruism, and participation) will enhance organizational engagement.

Proposition 3: Learning Orientation (commitment to learn, open-minded, and shared vision) will enhance organizational engagement.

Proposition 4: Organizational Engagement (the sense of being meaningful, feeling secure, and the availability of workplace support) will enhance social identity.

4. CONCLUSION AND FUTURE RESEARCH

Higher education institution becomes an important pillar for a country because this is where young generation and future leaders of the country are prepared to complete the task of state and environment. For a university, the readiness of human resources to equip these young people becomes a necessity. If human resources do not understand their important tasks, they will not be ready to provide the best education for students. One way to raise their awareness is by shaping the social identity of the human resources. For today's environment, people spend most of their life in workplace; therefore, it is needed to develop an identity to infuse the organizational value in their daily life. Employees are one of the most important factors to increase the productivity. There are few factors that can increase social identity, such as organizational citizenship behaviour, learning orientation and workplace spirituality. Therefore, it is needed to develop a scale and measurement to implement those practices in the organization and society so that people can control how far the entities have initiated. In summary, Islamic-based organizations have defined their identity and needs to be attached in all people in the organization. In order to have ethics and responsibility to employees within an institution as part of their social identity, a spiritual workplace is a must. Learning orientation, organizational citizenship behaviour and workplace spirituality will facilitate the creation of organizational engagement which in turn increases employees' social identity. The future research agenda includes validation on the proposed conceptual model by using empirical data.

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**ID079 – Social Network Quality, Human Capital and Good Public Governance: A
Conceptual Review**

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Abstract

The changing of governance paradigm towards good public governance in various aspects brings some consequences. One of them is to encourage the implementation of integrated performance accountability system as the main instrument. In order to realize it, it is required to support human resource competence and quality of good social relationships to improve the performance of public organizations. Differences in management style of public organizations will result in different levels of society welfare. The ability of Local Government Apparatus to implement public services will affect the progress of a region. The purpose of this study is to build a model of social network quality, human capital and performance of public service organization. The model is developed through employee competence and organizational spiritual capital.

Keywords: *employee competence, social network quality, spiritual capital, organizational performance*

1. INTRODUCTION

Organizational performance is basically the responsibility of all members in an organization, if organizational member works well, has such achievement, excitement, give their best contribution to the organization then the overall organization performance will be good (Mahmudi, 2015). Organizational performance is strongly influenced by the knowledge, skills, motivation and behavior of employees / members of the organization. Organizational performance depends on the personal characteristics of employers, managers and their ability to interact socially (Hatch and Zweig, 2000; Hite, 2005 in J. Augusto Feli'cio and Eduardo 2014).

In addition, the expertise of a country in managing the governance affects the progress of a country (Werlin, 2003 in Budi Setiyono, 2014). Human Resource competence contains aspects of knowledge, skills and ability or personality characteristics that affect performance. Competence is a human capital or the most urgent main component of other intellectual capital (IC), because it creates value and organizational competitiveness through the ability of human potential transformation (brainpower) into a product or service (Seetharaman et al., 2004). Moreover, managers must have professional competence to control organization to achieve the desired goals (Budi Setiyono, 2014). Professional competence includes organizing skills, leadership competence, cognitive competence and planning competence. The ability to communicate and transform knowledge with skilled and professional work can build sustainable relational value in the form of partnerships between companies as internal stakeholders with customers as external stakeholders (Usup Riassy Christa., 2014). Building

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and maintaining a network of relationships with all stakeholders is one of the tasks of managers to achieve organizational performance that has been established.

Hence, it can be concluded that employee competence is a basic characteristic of individuals in organizations that are causally related to meeting the criteria required to occupy a position (Spencer and Spencer in Palan, 2007). Network quality is the quality of building relationships with other people or organizations (Arenawati: 2012). The ability to build a network is a necessity for someone in organizing, the success of networking can not be measured quantitatively but qualitatively. Networks can be defined as associations of individuals or organizations communicating with each other to generate mutual benefits (Holmund & Fulton, 1999 in Tatiek Nurhayati 2010). Network Quality has an important role in organizational performance. Hence, networking can be interpreted to build relationships with other people or other organizations which by the end, will affect the success of professional and organizational. Networks within public organizations include internal networks, external networks and communities networks.

In order to support organizational sustainability, it requires moral capital or spiritual capital (Abdullah & Sofian 2012). Spiritual capital is shared values within organization. Leaders are effectively demonstrates these values with behaviors, actions and these values are upheld throughout the organizational culture (Campuzano & Seteroff, 2010). Spiritual capital is defined as the organizational wealth in order to maintain value, culture and spirit within the organization. Spiritual capital is affecting the way an entity is managed, ensuring business operations run in accordance with the law and norms, and honest in financial terms, which ultimately will improve organizational performance.

1.1 Purpose of study

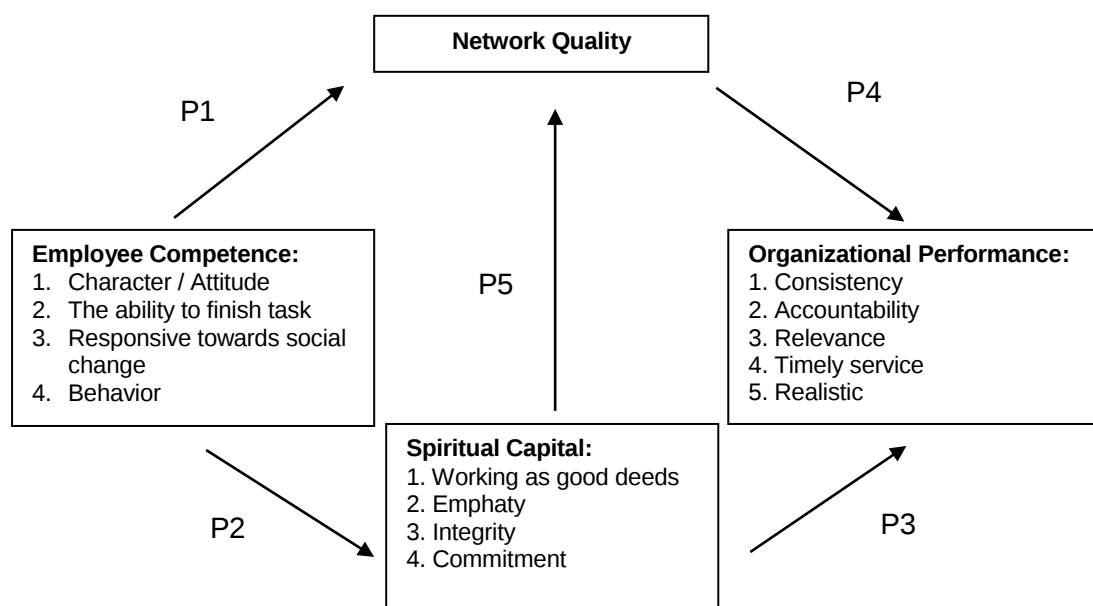
The purpose of this research is to develop a model to improve organizational performance through employee competence, network quality and spiritual capital. This model lies that employee competence will form good network quality which will serve as a basis for motivational value to improve organizational performance.

2. METHOD AND MATERIAL

This paper deals with the development of conceptual model on how to improve organizational performance through network quality and spiritual capital. This paper is based on secondary data which has been collected from books, journals, newspapers, and website. A conceptual framework has been developed describing the aspects of organizational performance, human capital and network quality.

3. ANALYSIS/RESULTS

Based on the literature review above, a conceptual model regarding with the improvement of organizational performance for service enterprise can be drawn as follows:



The quality of network within an organization is influenced by the overall competence of organizational members. An organization with high competent employees will be able to establish communication patterns, coordination and harmonization. Employee competencies play a significant role to create spiritual capital. Positive values that contain the spirit to guide organization. Organizations with superior employee will be easier to implement spiritual capital. Spiritual capital in the form of virtues and positive behaviors will affect organizational performance.

Good network quality in the form of coordination, communication, harmonization and socialization will erode the sectoral ego between units in one organization or with external organizations. Building a good network starts from the spirit and sincerity. The values in spiritual capital that are applied well by the organization will affect the quality of the organization network. Hence the propositions in this research are following

- P1: Employee's competence affects network quality.
- P2: Employee competence related to spiritual capital.
- P3: Spiritual capital relates to organizational performance.
- P4: Network quality relates to organizational performance.
- P5: Spiritual capital relates to social network quality

4. CONCLUSION AND FUTURE RESEARCH

Every organization always strives to achieve good performance by doing effectiveness in all lines through increasing knowledge capacity, expertise and individuals behavior. It also to build the strength and quality of good network with stakeholders both internal and external based on the values guided as an arouse all individuals within the organization. Organizational performance will not be achieved optimally if the organization does not have good network quality through coordination, communication, sharing, cooperation, compromise, harmonization, aspiration and negotiation. Building the quality of the network is not only done temporarily but must be built and maintained continuously to become a good culture in the organization.

Employee competence is noticed as a positive resource to improve networking quality. Employee competence will have a positive effect on spiritual capital. Good quality of network

and spiritual capital will influence on good organizational performance. We plan to examine the model in such public organization to test the relationship between employee competence on organizational performance and which indicator that is the most dominant influence on organizational performance.

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